

Weekend

FINANCIAL TIMES

Weekend FT

*The brighter lights
of the big city*

SECTION II

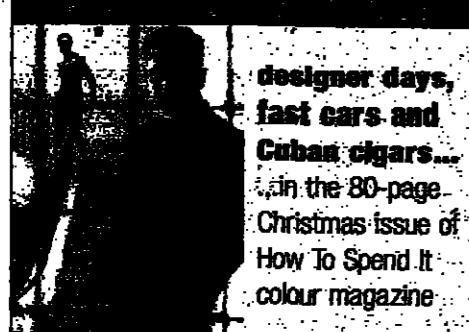
World Business Newspaper <http://www.FT.com>

WEEKEND NOVEMBER 23/NOVEMBER 24 1996

*Lessons from
a year of skiing*

The FT's 12-part series
continues on Monday
Part Two: opportunity knocks

FTMasteringEnterprise



designer days,
fast cars and
Cuban cigars...
in the 80-page
Christmas issue of
How To Spend It
colour magazine

Thyssen to quit three core areas in restructuring

German steel, engineering and trading company Thyssen is to withdraw from three of its traditional businesses - long steel products, defence equipment, and coal and oil trading - as part of a large-scale restructuring. The group reported a 36 per cent fall in annual pre-tax profits to DM654m (\$436m). Page 24

Japanese banks return to profit: Japan's 10 leading banks signalled they had put the biggest of their bad debts behind them, allowing them to return to profit in the first half. Page 5

FT-SE climbs back through 4,000

The UK stock market's reluctance to follow Wall Street's recent lead, and its ability to ignore the strong gains in gilt yields, was reversed yesterday with a sudden burst of institutional buying. The activity gave a much-needed boost to turnover, which had dropped sharply over the past two weeks, as many of the big investors curtailed their activity. The FT-SE 100 index, which had languished in the mid-3,900s for much of the week, climbed back through 4,000 before settling 64 points higher at 3,994.0, its biggest points rise this year and 36.5 points up on the week. Page 21

Kazakhstan accused of censorship: Independent broadcasters in Kazakhstan accused their government of suppressing dissent as electricity was cut off to one of the country's more vocal broadcasting companies. Page 3

UN protest at Israel's use of force: The United Nations Committee against Torture is to protest to Israel about a ruling by the country's High Court that sanctioned the use of "physical pressure" against a Palestinian detainee. Page 3

Bid to end French truckers' dispute: French truck drivers and their employers resumed talks to resolve the dispute over pay and working conditions. Page 2

Russia claims Belarus compromises: Russia claimed success in defusing the political crisis in Belarus, but many Belarusian deputies labelled the agreement a betrayal of their struggle against President Alexander Lukashenko's increasingly authoritarian regime. Page 2

News Corp sells Fairfax stake: News Corporation, the media and entertainment group headed by Rupert Murdoch, said it had sold its small stake in John Fairfax, the Australian newspaper publisher which has been the focus of bid speculation. Page 5

Sega resumes profits growth: Strong sales of software for the Saturn video games system helped Japanese electronic games and amusement park company Sega to return to profits growth during the first half. Page 5

Award for FT writer: Anne Spackman won the title of Lain Homes Residential Property Journalist of the Year for her reporting on the UK and international housing markets in the Weekend FT.

FT.com the FT web site provides online news, comment and analysis at <http://www.FT.com>

Companies in this issue

Adidas 3 Manchester United 5

Bersford 6 Minerva 6

Break for the Border 6 Moorfield Estates 5

CANTV 5 Morgan Grenfell 4

Chichibunoha Cement 5 Novia Corporation 5

Cook (William) 6 Nils 6

Daiwa Bank 5 Northern Electric 6

Eurotunnel 6 Osborne & Little 6

Fine Art Developments 6 Pentland 6

Franco Télicom 5 Reebok 5

Fujii Bank 5 Sakura Bank 5

GWR 6 Seg 5

Graycoat 5 Select Appointments 5

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Prodi forecasts imminent re-entry of currency after four-year break

Lira set for all-clear to rejoin the ERM

By Robert Graham in Rome
and Richard Adams in London

Approval for the Italian lira to re-enter the European exchange rate mechanism is expected to be given today at a meeting in Brussels of the European monetary committee.

Mr Romano Prodi, Italian prime minister, yesterday confirmed the imminent return of the lira. It was a question of "a few hours or days".

The lira's likely re-entry to the ERM comes four years after it and sterling were forced out. The move would add to the growing consensus in European capitals and financial markets that Euro-

pean monetary union will go ahead as planned in 1999 and that Italy could be in the first wave of countries joining.

The Italian Treasury yesterday said late yesterday: "The Italian government has requested the procedures be set in motion for the re-admission of the lira to the ERM. The procedures will begin tomorrow in the monetary committee."

Italian government bond prices rose sharply on the news that Italy had requested the Brussels meeting. Trading in the lira was more subdued because of uncertainty over the rate at which the currency would be fixed within the ERM.



More than 150,000 engineering workers demonstrating in Rome yesterday in a wages row

ABN Amro expands in US Midwest

Dutch banking group will pay \$1.95bn to take over Michigan's largest savings bank

ABN Amro, the leading Dutch banking group, is to pay \$1.95bn to expand in the US Midwest. This will be its biggest acquisition to date.

Standard Federal Bancorporation of Michigan, the region's largest savings bank, yesterday agreed a takeover that will add 122 branches and \$15.5bn in assets to the 231 outlets and \$112bn in assets which form the existing US network of ABN Amro.

The Dutch group is the largest foreign bank in North America, and sees the Midwest as its second home market.

It has concentrated on the Chicago area, one of the most concentrated banking markets in the US, where its LaSalle subsidiary was already the largest retail bank after First Chicago NBD. Standard Federal will take it into neighbouring Michigan, Indiana and Ohio.

Mr Jan Kalf, chairman, said the region offered a much more promising environment than the New York-Long Island area, where ABN Amro's other US retail bank,

European American, is based.

"The Midwest is not as competitive as the New York area, where all the big boys are. In the Midwest, we are one of the big boys," Mr Kalf said.

The deal follows 11 other US acquisitions since 1990, for which ABN Amro paid more than \$13.5bn (£2.7bn). It

began building its transatlantic presence in the late 1970s with LaSalle National in Illinois, its biggest US division.

Standard Federal, which like the others will continue to

operate under its own name, has some 300 clients served by just under 4,000 staff selling mainly mortgages and savings products.

The 108-year-old federally chartered thrift has 8 per cent of the deposits in Michigan state and markets its home loans across the US, where it is the 11th largest originator of mortgages.

In Amsterdam, ABN Amro shares jumped F14.40, or 4.2 per cent, to close at F110.70. It is paying for the acquisition in cash and through a \$750m

issue of preference shares by its North American holding company.

The New York-listed Standard Federal, for which ABN Amro is offering \$30 a share, put itself up for sale earlier this year. During its

approaches to several potential bidders, its shares rose from \$40 to close on Thursday at \$58. Yesterday they fell back on news of the deal to trade at around 56% in late afternoon.

Standard Federal had flat net profits of \$119.5m in 1995, but these are projected to rise to some \$140m this year.

Shareholders' funds were given as some \$900m.

Lex, Page 24

Ministers halt plan to open EU car spares market

By Emma Tucker in Brussels

Europe's barrier-free internal market will suffer a setback next week when European Union industry ministers abandon ambitious plans to open the market for car spare parts.

Ministers, meeting in Brussels, are expected to vote in favour of maintaining barriers to independent spare parts dealers selling products such as bumpers, windscreens, wing mirrors and headlamps, across borders.

The European Commission, which made the original proposals, is furious that the opportunity to create a single market has been missed. It believes powerful car lobbies have put pressure on governments to allow them to maintain a grip on this lucrative market.

In a move that will disappoint independent dealers, Britain, home to the biggest independent spare parts industry and the most vociferous champion of breaking down barriers, is expected to switch position and vote in favour of leaving barriers in place.

UK officials are understood to have concluded that there is little prospect of overcoming entrenched opposition in countries where carmakers have very strong lobbying muscle. Retaining the status quo will diminish export prospects for UK-based parts makers.

The vote will mean that "once again EU institutions will have balked in their attempts to open up the car market to competition", said Mr Rupert Hughes of the European Campaign for the Freedom of the Automotive Parts and Repair Marketing (Ecar).

The clause on car spare parts forms part of a wider draft EU law aimed at har-

Continued on Page 24

Sports companies reach accord on child labour

By Patrick Harverson
In London

World sports goods companies yesterday reached an agreement with Pakistan officials to eliminate the employment of children in the manufacture of footballs.

The meeting of the World Federation of the Sporting Goods Industry also agreed to draw up, within the next three months, a code of practice aimed at eradicating the exploitation of child labour throughout the industry.

About 80 per cent of the world's stitched-leather footballs are estimated to be made in the north-eastern Pakistani city of Sialkot, where local manufacturers supply all of

the world's biggest sports goods companies.

This summer, Fifa, football's world governing body, announced plans to tackle the child labour exploitation after it emerged that souvenir balls for the Euro 96 championship had been produced by child workers in Sialkot.

Mr Stephen Rubin, the WFSGI president and chairman of Pentland, the UK sports goods company, said the federation had agreed with the Sialkot Chamber of Commerce and Industry and the All Pakistan Sporting Goods Association to find an independent body to monitor the implementation of the new programme to eliminate child labour.

After a short consultation process, the code of practice on child labour would be introduced at a full meeting of the WFSGI on February 14.

"These announcements demonstrate our determination to end child labour in the soccer ball industry in a responsible manner," said Mr Rubin.

This week's two-day gathering in London of WFSGI members, including globally active companies such as Nike and Reebok of the US and Adidas of Germany, was called by Mr Rubin in response to growing criticism from child welfare pressure groups and trade union organisations.

The industry has also been

Continued on Page 24

STOCK MARKET INDICES

	STOCK MARKET INDICES	US LUNCHTIME RATES	STERLING	DOLLAR
FTSE 100	4,018.7	+64.9	1.6775	DM 1.597
Yield	3.94		1.6776	FR 1.5986
FTSE Eurostock 100	1,055.19	+60.01	1.6777	SI 1.5972
FTSE All-Shares	1,982.77	+11.36	1.6778	Y 111.95
Nikkei	21,161.11	+72.77	1.6779	DM 1.5983
New York Lunchtime			1.6780	FR 1.5993
Brent Dated			1.6781	SI 1.5998
S & P Composite	747.25	+14.40	1.6782	Y 112.05
			1.6783	DM 1.6002
			1.6784	FR 1.6012
			1.6785	SI 1.6022
			1.6786	Y 112.15
			1.6787	DM 1.6032
			1.6788	FR 1.6042
			1.6789	SI 1.6052
			1.6790	Y 112.25
			1.6791	DM 1.6062
			1.6792	FR 1.6072
			1.6793	SI 1.6082
			1.6794	Y 112.35
			1.6795	DM 1.6092
			1.6796	FR 1.6102
			1.6797	SI 1.6112
			1.6798	Y 112.45
			1.6799	DM 1.6122
			1.6800	FR 1.6132
			1.6801	SI 1.6142
			1.6802	Y 112.55
			1.6803	DM 1.6152
			1.6804	FR 1.6162
			1.6805	SI 1.6172

NEWS: INTERNATIONAL

Russia takes credit for Belarus compromise

By Matthew Kaminski
in Kiev

Russia yesterday claimed success in cooling the political crisis in neighbouring Belarus after brokered a deal between the parliament and president of the former Soviet state.

The easing of tension was accompanied by a Belarusian claim that the nuclear missiles left on its territory when the Soviet Union broke up had all been transferred to Russia ahead of a deadline set for the end of December.

Up to 18 SS-25 nuclear missiles were believed to be in Belarus and President Alexander Lukashenko had threatened to halt their

removal if Nato expanded eastward.

However, the political compromise looked fragile last night as many Belarusian deputies labelled the agreement a betrayal of their struggle against Mr Lukashenko's increasingly authoritarian regime.

Mr Lukashenko, who wants his demand for broader powers endorsed in a controversial referendum tomorrow, said parliament must adopt by today, with no amendments, yesterday's accord, which he called "final".

The deal may be implemented without the two-thirds support of deputies.

The agreement between Mr Lukashenko and the parliamentary

speaker, Mr Semyon Shartsky, allows tomorrow's vote on a new draft constitution to go ahead but makes its result consultative. Parliament had resisted the referendum, and has since added questions of its own, including a proposal to abolish the presidency.

Within three weeks of the plebiscite a constitutional committee of 50 representatives each from parliament and the presidential administration and chaired by Mr Lukashenko will draw up a new constitution to replace the 1994 document.

Parliament will rescind its impeachment motion against the president, who will drop his decree that the referendum, defying par-

liament and the highest court, should be binding.

Mr Shartsky praised the Russian mediation, which deputies viewed as their only recourse against a possible dissolution by the president. "No one won and no one lost," he said.

But many deputies, who have been occupying parliament for a week to thwart any attempt by Mr Lukashenko to dissolve the assembly, attacked the accord for legitimising the president's attempts to change the constitution and undermine democracy.

Mr Victor Gonchar, the country's highest electoral official who was sacked by the president last week after denouncing the referendum, said the accord was "just a cover for unlawful actions by Lukashenko".

The Kremlin had expressed concern that the crisis in Belarus could turn violent or establish a potentially embarrassing dictatorship led by Mr Lukashenko.

Mr Victor Chernomyrdin, Russian premier, started an impromptu visit to Minsk, the Belarusian capital, on Thursday night and initiated the negotiations that produced yesterday's accord. Russian President Boris Yeltsin, convalescing at a sanatorium outside Moscow, declared the crisis "over" in his first television interview since heart surgery earlier this month.

Dispute topples Estonian coalition

By Matthew Kaminski

Estonia's coalition government collapsed yesterday when the smaller of the two ruling parties quit. The move had been expected after the Reform party's six ministers left the 18-member cabinet on Wednesday.

The political crisis in the Baltic nation was sparked by revelations this week that the Coalition party, the larger partner, signed a co-operation pact with the Centre party, without informing the Reform party.

Mr Tõt Vähi, prime minister of the Coalition party, yesterday began casting around for a new cabinet. Although he is most likely to draw on the Centre party, Mr Vähi could bring in neutral ministers.

Mr Riivo Simanjärvi was named yesterday as acting foreign minister, to replace the Reform party leader, Mr Siim Kallas. The prime minister has a month to fill the other five posts.

Observers in Tallinn, the capital, believe an election could be held early next year. Coalition can count on 40 MPs - 19 of its own and 21 from smaller parties - and Centre nine in the 100-seat chamber.

The political uncertainty is compounded by lax voting discipline in parliament as personalities and issues dominate politics in the small state of 1.5m people.

Mr Kallas, a respected former central bank chairman, said Reform would join the opposition and press for new elections. Earlier he had said the secret co-operation pact undermined his party's confidence in Mr Vähi.

Mr Kallas warned that Centre's softer approach to economic reform and calls for improved relations with Russia might undermine moves towards integration with Europe. But other parties believe Centre might be better for domestic harmony in Estonia, where there are 600,000 Russians.

The party is led by Mr Edgar Savisaar, the former interior minister who was at the centre of a telephone wiretapping scandal that toppled a Centre-Coalition government last year.

The government's collapse comes as Estonia pushed ahead with an ambitious privatisation of utilities and transport infrastructure. Analysts fear that reform momentum could be lost amid the political mayhem.

But western diplomats do not expect an immediate change in the economic policy that has made Estonia's success story. "The government fell for strictly domestic political reasons," one said.

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Government steps in after five days of disruption over pay and terms dispute

Talks resume as truckers blockade French roads

By David Buchan in Paris

French truck drivers and their employers last night resumed negotiations to calm the escalating dispute over pay and working conditions that has seen lorries blockading roads, oil refineries and petrol depots around the country for the past five days.

The government yesterday appointed Mr Robert Cros, a professional labour mediator, to "organise" talks in Paris between leaders of 35,000 road haulage companies and their 200,000 employees.

The drivers' main demands are for higher wage rates, shorter hours, pay for time spent waiting rather than driving, and retirement at 55 rather than the

national norm of 60. The drivers yesterday claimed 50,000 vehicles were involved in the blockades. These have been most widespread in the south-east towards Lyons, and the south-west around Bordeaux, where the prime minister, Mr Alain Juppé, is major.

In the north the main A1 Lille-Paris motorway was cut just outside Lille, the city of Caen in Normandy was tightly blockaded, and traffic from Marseilles' large petrochemical refineries was halted.

So far the truckers have largely spared Paris. By concentrating action along international transit routes they are holding up a large number of foreign drivers, whose vehicles are stuck behind French ones.

But the blockades'



Impasse: Lorry drivers blocking a roundabout near Caen in Normandy yesterday. Oil refineries and petrol stations have been targeted in the five-day protest

Associated Press

The government argued last night that the conflict was essentially a private sector dispute, and its own role was mainly to organise negotiations in the fragmented industry and to press union leaders to keep control of their members on the road blockades.

Four years ago, truckers' protests against new driving licence penalties spiralled into a paralysing series of wildcat road blockades.

But the blockades'

knock-on effect on petrol supplies in particular and the economy in general have drawn the government further into the dispute. On Wednesday Mr Bernard Pons, the transport minister, appeared to hint that the retirement age for truckers might be lowered.

However, government officials said yesterday this could probably be done through an existing scheme that provides haulage companies with money to allow older drivers to work half-time for nearly full pay, provided they hire new people.

The officials said this should be possible, because road haulage is one of the rare industries in France actually increasing.

The government has also hinted to haulage companies that it may lower their social security charges, thereby leaving them some cash to pay truckers' "waiting hours".

Kohl links his political fate to a united Europe

By Ralph Atkins and Andrew Fisher in Frankfurt

Mr Helmut Kohl, German Chancellor, yesterday linked his political future to the success of European integration - but sought to assure sceptical voters that he would only surrender the D-Mark for a single currency that was at least as firm.

Speaking at the European Banking Congress in Frankfurt, Mr Kohl insisted the Maastricht criteria for economic and monetary union would have to be adhered to by participating countries in the long as well as short term.

"We want a hard currency. No more and no less," he said.

He went further than in his political future to the success of European integration, which he reiterated as essential for ensuring peace on the continent. "The construction of a European house is a vital issue. My political fate is associated with it."

In an aside aimed at the UK, he said some countries would wait and see whether to join. But whether the steering wheel was on the right or left, the direction of travel would be the same.

Reform would be essential even without Maastricht, Mr

Kohl said. But integration was an important factor in the competitiveness of Europe as a business location and it was important not to create a fortress Europe. "Open doors and windows create a draught which is good for health. A hot room might be comfortable but you fall asleep."

Drawing attention to possible difficulties once Emu was set up, Mr Hans Tietmeyer, Bundesbank president, said countries which stayed outside should be obliged to join the successor to the European exchange rate mechanism.

He expressed regret that "the way things are going, participation will presumably be on a voluntary basis only".

Most central bank governors on the council of the European Monetary Institute, forerunner to the planned European central bank, felt the same, he said. All countries wanted to strengthen convergence, before and after Emu.

"Obligatory membership of ERM Two [the exchange rate link between the euro and non-Euro currencies] could reinforce that signal."

Share-owning democracy,

Page 9

He nevertheless warned that Germany faced considerable "homework" in reforming its tax and pension systems and improving competitiveness. Even the 2.5 per cent economic growth expected next year might not be sufficient to reduce unemployment.

"We have to change our thinking," he said. Germany lagged behind other nations in deregulation but the Deutsche Telekom share sale suggested that "perhaps the Germans are becoming a nation of shareholders".

Reform would be essential even without Maastricht, Mr

and foreign-owned management companies, will be listed on the WSE and the vouchers can be exchanged for shares.

According to a poll by the Demoskop organisation, half of the 25m adults who have picked up their vouchers have sold them on.

The scheme has not only produced an extra \$17m to collect vouchers entitling them to a stake in 512 companies being privatised.

"I just didn't seem to have had enough time over the last year," said a man who described himself as an entrepreneur, explaining his failure to pick up a privatisation voucher during the last 12 months.

He queued for five hours at the PKO BP bank for the document, which cost him 20 zlotys (\$7). This will entitle him to a share in each of the 15 investment funds to which the 512 companies were allocated a year ago. Yesterday the same bank was offering to buy vouchers for 120 zlotys each and they were trading on the Warsaw stock exchange at 156 zlotys.

"I think I'll hang on to my voucher," he said looking forward to next year when the 15 funds, most of which are run by mixed domestic

Page 9

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NEWS: INTERNATIONAL

Taiwan hit by a tidal wave of gangsterism

A political slaughter has put the growth of crime under the spotlight. Laura Tyson reports

Just days after Mr. Liao Cheng-hau, Taiwan's justice minister, warned the island was perilously close to becoming a "Sicily of the Orient", masked gunmen shot dead a top regional official and eight others in the bloodiest gangland-style execution the country has ever seen.

The assassination of Mr. Liu Pang-yu, chief of northern Taoyuan county, and associates as they ate breakfast on Thursday has sparked fears that Taiwan's organised criminal gangs, known as triads or "black societies" in Chinese, are becoming more violent – and more brazen – in their methods.

The cold-blooded slayings, conducted at point-blank range as the victims lay bound and blindfolded on the floor, have shocked Taiwan, a country that has scant history of political violence.

Government leaders condemned the killings and lawmakers expressed outrage. "Taiwan has become the Republic of Crime," quipped Mr. Parris Chang, a legislator from the leading opposition Democratic Progressive party, playing on Taiwan's official name, the Republic of China.

A series of gang-related attacks this year, each more violent than the last, suggests the triads are shifting from their customary practices of threats, kidnapping and knifing to using guns to carry out their increasingly gory and terminal missions.

The new boldness may be linked to the rising presence of people with mob-related backgrounds in government, both in elected and appointed positions. This phenomenon has accelerated with the advent of democracy in recent years and threatens to undermine the government's authority and its ability to carry out policy.

Last week, Mr. Lin called for Taiwan's political system to be purged of organised crime, warning that triads could gain control of two-thirds of county and city councils across the island in polls scheduled for late 1997.

Radio dissent under pressure in Kazakhstan

By Sander Thoenes
in Almaty

Independent broadcasters in Kazakhstan this week accused their government of suppressing dissent as one of the country's more vocal broadcasting companies was forced off the air.

Company M, acclaimed for its broadcasts of BBC radio reports and sharp television news programmes, went silent after officials shut off the electricity supply to its studio.

M had already lost one of its two radio frequencies when the government took seven stations off the air last week; all but M and Totem, another station known for its critical news reports, have been allowed to resume broadcasts. A friendly station now shares its frequency with Totem.

"It was like a police sweep, when everybody gets caught and they let everyone go but the ones they are after," said Mr. Sergei Duvanov, M's general director and belligerent moderator of a political television talk show. "Now it's clear. They are after us. It's all politics."

Political or not, the fight for the airwaves comes to a head just as Almaty's array of seven commercial television companies and as many radio stations face growing competition, technical limitations and a legitimate crackdown on the business that made them profitable – video and music piracy.

Those hazards may prove more deadly than government intolerance of dissent, broadcasters predict.

Government officials cited a complaint from air traffic control as a reason for the first shutdowns, arguing

that the stations were interfering with aviation. The airport denied making any complaints.

Even if the independent stations win the battle with the government, however, their victory may be short-lived.

Cut-throat competition has driven down the price of one minute of television advertising to less than \$100. In January the stations will also have to compete with other businesses in a tender for their frequency licences. So far the stations have only had to pay a one-time fee of \$300.

The independent stations owe their popularity and income not to their critical reports but to their broadcasts of the latest pirate videos.

Most Kazakh television viewers have had ample opportunity to learn one English phrase by heart: "If you have rented or purchased this video please call 1-800-NO-COPY."

It is a standard request that appears on American promotional videos, which are not for sale. Other movie broadcasts show shadows getting up from cinema seats at the final credits, revealing that the videos have been shot on the sky. Few radio stations pay for the music they broadcast.

But in January a new copyright agency will start charging fees and, possibly, large fines any time that the request to call 1-800-NO-COPY appears on screen.

"The era of movie and music piracy is coming to an end," said Mr. Vladimir Litvinov, president of Radio Max.

"Some stations will have to shut down or merge. There are too many of us in Almaty."



Demonstrators face police outside the Apec meeting in Manila yesterday. They were later dispersed by a baton-charge.

IT pact opposed at Apec meeting

The US battled to rescue a tariff-busting pact on information technology yesterday, facing rebuffs from Malaysia and other Pacific Rim countries, AP reports from Manila.

Mr. Warren Christopher, US secretary of state, made a last-minute pitch, saying Washington wanted leaders of the 18-government Asia-Pacific Economic Co-operation group to call for "swift conciliation" of the pact.

If Apec fails to produce a deal that would cut the price of computers, software and telecommunications products, it will have precious little to show for its week of negotiations and the summit that will cap it on Monday.

Meanwhile, Apec came under another shadow on the security front, when the US warned its diplomats to beware of "possible threats" during the 18-government conference. Mr.

Nicholas Burns, State Department spokesman, refused to elaborate. His warning came in a week in which authorities found two bombs in Manila, killed two armed rebels, and struggled to hold back anti-Apec protesters. The Philippines and US are also worried about retaliation for the capture last year of Mr. Ramzi Ahmed Yousef, accused of masterminding the World Trade Centre bombing.

Israel's image suffers abroad

By Judy Dempsey
in Jerusalem

The United Nations Committee against Torture is to protest to the Israeli government about a ruling by Israel's High Court of Justice that sanctioned the use of "physical pressure" by Shin Bet, the internal security service, against a Palestinian detainee.

They also refer to the negative image caused by a broadcast by Israel television, and transmitted abroad, showing two Israeli policemen hitting and kicking several Palestinian workers in north Jerusalem.

The dispatches, discussed at yesterday's cabinet meeting, and sent from Washington, Paris, Bonn, and Latin American capitals, all generally strike the same chord, government officials said.

Israel's international image is being damaged by human rights violations, expansion of the Jewish settlements in the West Bank and mounting disappointment over unfulfilled promises by Mr. Benjamin Netanyahu, the prime minister, to implement the Oslo peace accords and redeploy Israeli troops from the West Bank town of Hebron.

The dispatches also highlight how the government's Jewish settlement policy is tarnishing Israel's image too. Brewery plan that went flat, Page 9

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NEWS: UK

Union vows to use EU directive to enforce rights of public sector workers

Legal threat over work-time rule

By Robert Taylor,
Employment Editor

UK public sector employers face the threat of legal action if they do not implement the European Union's working time directive that came into force today in all member states.

The legislation ensures all public sector workers are entitled, from tomorrow, to enjoy four weeks' paid holiday, minimum gaps of 11 hours between shifts and a working week of no more than 48 hours.

Mr Roger Lyons, the gen-

eral secretary of the MSF technicians union, said yesterday his organisation would "use the law to enforce those rights" although he said he would prefer to negotiate agreements with employers.

The directive says all workers employed by bodies described as "emanations of the state" are entitled to an immediate provision of the new working time rights. Mr Lyons said the union had alerted its health and safety representatives to the grievances of individual members in the public sector who

wanted to enjoy the directive's provisions.

Employees in the private sector can sue the UK government for damages - under the Frankovich principle - for not transposing the directive into domestic law.

This allows employees to seek compensation from their government for any damage they believe they suffer as a result of failure to implement a directive.

The European Court of Justice said recently that if an EU member state breached the time restrictions on implementing a

directive this did not provide sufficient grounds alone to allow a worker to seek compensation from the government.

"The UK government has given no guidance at all to public sector employers," said Mr Lyons. "But they face the prospect of legal action against them as a result." Two weeks ago the European Court rejected the UK argument that the measure was not compatible with the EU treaty.

Ministers have made no effort over the past two years to inform employers about the implications of the directive - in expectation of securing a victory in the courts, said Mr Lyons. A consultative document is now being prepared by the Department of Trade and Industry which will set out what needs to be done to comply with the law.

After a consultation period lasting two to three months, regulations are likely to be laid before parliament to bring the UK into line with the directive's provisions. In the meantime employers are vulnerable to legal challenges.

Thatcher backs premier against rebels in party

By Robert Peston,
Political Editor

Mr John Major, the prime minister, last night received support from Baroness Thatcher, his predecessor, in the battle to stem a damaging rebellion by backbench MPs in the governing Conservative party.

In a speech notable for the absence of any significant reference to her hatred for a single European currency, she urged Conservatives to turn their fire on Labour and its leader Mr Tony Blair.

Socialism was "not dead" and Labour's apparent conversion to her policies was not to be trusted, she said. The opposition did not "understand why the policies of the 1980s worked", she said. Mr Major, by contrast, had shown "persistence, imagination and skill".

The rebellion came to a head on Thursday night when Eurosceptic Tory MPs threatened to bring down the government over what they claimed was the prime minister's assault on the sovereignty of parliament.

Mr Major would not, and will not, be moved. "We have done everything by the book," said one of his most influential advisers. "There

weekend of reflection, most Tory backbenchers will pull back from the brink.

But that outcome depends on how rampant is the disease of the mind afflicting many Tories, largely of the Eurosceptic tendency, who have apparently lost the will to win the election.

Electoral success for some appears trivial compared with the imperative of destroying a perceived conspiracy to end UK independence. They are Anglo Saxon Contras fighting the transformation of the European Union into a bureaucratic federal superstate.

Under a parliamentary convention, MPs must scrutinise and then agree, through a vote, that they have "taken note" of the documents' contents before the government can reach an agreement with EU members.

The government ordained that this scrutiny should be conducted by an obscure committee on European legislation. However, the committee members decided that these weighty matters needed consideration on the floor of the Commons. The Eurosceptics found allies in this cause with constitutionalists of both parties, including some pro-Europeans.

will be no special debate". With only days remaining before the Budget - and just months before the general election - the prime minister is embroiled in an extraordinary war with his party's backbenchers.

The conditions have been set either for the collapse of the government or - more likely - a humiliating climb-down by one side. Mr Major's big gamble is that, after a

US group may seek damages from MGAM

By John Gapper
Banking Editor

Xavier Corporation, the Houston-based oil production company that became involved in the Peter Young affair, is considering possible legal action against Morgan Grenfell Asset Management seeking compensation for damage to its share price.

The Serious Fraud Office is investigating Mr Young's role in setting up a web of Luxembourg holding companies, apparently to hide the fact that he was breaching unit trust investment rules.

Xavier became caught up in the affair because warrants in its shares were found to be held by Russ Oil & Technology, one of the listed Luxembourg holding companies.

Xavier has told investors it is discussing with Morgan Grenfell whether it should be compensated as a result of damage to its share price.

Deutsche Morgan Grenfell, the parent group of MGAM, insisted yesterday it was no longer in discussions with Xavier, and there was "no basis" for any compensation claim.

Xavier's claim is the latest

in a series of events to have dogged the fund management group, which was forced to suspend three investment trusts containing £1.4bn when it uncovered Mr Young's alleged deception. Five senior executives, as well as Mr Young, were sacked in the wake of the affair, and Deutsche Bank announced yesterday it was moving ultimate control of its UK unit trust business to Frankfurt.

Mr Chris Dittmar, chief executive of Xavier, which has been trying to raise \$100m through a bond offering to finance oil drilling operations in Siberia, said that the company was talking to MGAM.

Mr Dittmar said it had a fiduciary duty under US law to seek compensation if it had been adversely affected by the actions of another company. He said its shares had fallen as a result of MGAM's involvement.

Xavier has not yet started any legal proceedings against MGAM, but it could do so if prompted by its shareholders. MGAM is itself a shareholder in Xavier as a result of investments made by Mr Young.

State fund for top visitors may be cut

By James Blitz in London

The UK Treasury is to turn its talents for budget-cutting to one of the plashiest bits of ministerial life: entertainment of visiting dignitaries. The Cabinet Office has revealed in an announcement which has attracted little notice that all spending by the Government Hospitality Fund is to undergo a rigorous review.

The government also said it was looking at the possibility of private sector sponsorship of international conferences.

The hospitality fund, which spends about £2m (\$5.1m) a year on receptions for visiting dignitaries, is the body that organises the parties held in Westminster offices and banqueting rooms near the Houses of Parliament.

The fund arranges dinners and receptions on behalf of ministers, to which 20,000 people were invited last year. It has an Advisory Committee for the Purchase of Wine which has spent more than £500,000 (\$845,000) in the past five years.

Mr Malcolm Rifkind, foreign secretary, runs the fund on behalf of the government. One of his officials confirmed that "prior options review" was under way on the fund which deals with "major inward visits". The review will examine whether some parts of the hospitality fund can be farmed out to the private sector.

But that is not all: Mr Rifkind is expected to face a tight squeeze on Foreign Office spending in next week's national Budget.

The UK is set to hold the Commonwealth Heads of Government meeting in Edinburgh next year, take over the presidency of the European Union in 1998 and hold the Asia Europe Summit (Asem) in London in the same year.

UK NEWS DIGEST

Hopes dim for tunnel services

Hopes for a speedy resumption of Eurostar and passenger and freight shuttle services through the fire-damaged Channel tunnel dimmed last night as the safety authority waited for Eurotunnel to explain its plans. Eurotunnel is the operator of the undamaged tunnel between England and France. Eurotunnel has presented its case for restarting a full range of services before it has completed repairs to the tunnel. But the safety authority of five British and five French representatives wants more details of how it will run safe services. Between 40 and 50 freight trains, carrying containers not trucks, went through the tunnel yesterday, up from 26 on Thursday. But Eurotunnel is still losing most of the £1m (\$1.68m) of revenues it would normally expect to make in a day.

Ferry companies, which have announced plans to merge their cross-Channel activities as a result of the tunnel's competition, made the most of their opportunity to exploit its partial closure. "This emphasises the necessity of maintaining a robust ferry industry as an alternative to the tunnel," said Mr Russ Peters, P&O's head of operations in the English port of Dover.

Eurotunnel is still at work attempting to clear the damaged section of the tunnel which still contains the nine worst-affected lorries. Their remains are still 19 km from the French end of the tunnel. But the investigation has meant that the damaged freight shuttles cannot be moved.

Charles Batchelor

Rights and Wrongs, Page 9

NORTHERN IRELAND

Business condemns bomb attempt

Business leaders in Londonderry, the second-largest city in Northern Ireland, yesterday condemned the planting of a big car bomb outside a police station in the city on Thursday. The bomb was defused after a warning from the Irish Continuity Army, thought to be a group of IRA dissidents. "The business community is devastated," said Mr John McGuinness, president of the Londonderry Chamber of Commerce. "We are looking at manufacturing jobs, and that means we have to be able to attract decision makers to the city to sustain the regeneration and investment that has gone on already." The bomb attempt was also condemned by Mr Dick Spring, deputy prime minister of the Republic of Ireland.

SALMON DISPUTE

EU faces price demand

The UK yesterday asked Ms Emma Bonino, the European Union fisheries commissioner, to help the Scottish salmon farming industry by imposing a minimum price on imports from outside the European Union. The minimum import price is aimed at Norway, which is not a member of the EU and which the Scottish salmon farming industry blames for over-production, leading to a collapse of prices in EU markets.

Salmon prices on the EU market have fallen 16 per cent in the past five months and are at an all-time low of about \$2.40 per kilogram. In August the EU began an investigation at the request of the UK and the Republic of Ireland into alleged dumping by Norway's salmon farming industry. Norway is the dominant salmon producer in Europe and is expected to produce about 295,000 tonnes this year, compared with Scotland's 80,000 tonnes. James Buzton

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COMPANIES AND FINANCE

Japan banks continue to cut bad debts

By William Dawkins in Tokyo

Japan's 10 leading banks yesterday signalled they had put the biggest of their bad debts behind them, allowing them to return to profit in the first half of this year, after notching up their biggest-ever aggregate loss in the second half of 1995.

The city banks announced Y442bn (\$3.97bn) of write-offs and provisions for bad debts in the six months to September, 18 per cent less than the same period last year.

It marks continued progress in their new strategy of finally tackling the mountain of bad debt which has weakened their performance for the past five years. Many borrowers took out loans to buy land in the 1980s asset price bubble and were left unable to repay when prices slumped in 1991.

The top banks' total outstanding bad loans fell 7.3 per cent to Y14,050bn over the past six months, rather more slowly than write-offs, which suggests that more bad debts are emerging from affiliates, where the real size of uncollectable loans has yet to be made clear.

Much of the decline in bad loans comes from write-offs - ordered by the finance ministry - of lending to bank-bankrupt housing loan companies, the subject of a state

Fuji Bank in record share issue

Fuji Bank yesterday launched a Y210bn (\$1.88bn) issue of convertible preference shares, the largest ever offering of euro-convertible securities, writes Conner Middleman.

SBC Warburg, Yamaichi and Nomura are acting as joint bookrunners for the transaction. Bookbuilding began yesterday, roadshows will start on Monday, and the shares are due to be priced during the week of December 9.

Indicative terms are for a dividend of between 1% and 2% per cent and a conversion premium of 10 per cent. The paper will be placed outside Japan, with most being directed towards Europe, in particular Swiss and UK institutions. Some will also be placed with qualified institutional buyers in the US under SEC Rule 144a.

Japanese banks have raised more than Y1,000bn in equity-linked offerings since 1992 to rebuild capital bases damaged by bad loans in the late 1980s. The attraction of convertible preference shares is that capital raised can be counted as tier-one capital for regulatory purposes.

SBC Warburg is the first non-US investment bank to have clinched the foreign book-running position on this type of

rescue package. Remaining bad debts will be harder to write off, since each case will require the agreement of all creditors. In consequence, outstanding bad debts are expected to decline more slowly from now on.

Japan's banks could afford to be more aggressive in writing off bad debts last year because their core business profits were rising fast, fuelled by falling interest rates and a rising bond market.

That luxury vanished in the first half of this year. The advantages of raising cheap debt was outweighed by increased competition for new loan customers; loan growth was flat in a weak domestic economic recovery, and the bond market declined.

As a result, the groups' operating profits fell 36 per cent on the first half of last year. Worst hit was Daiwa Bank, with profits down 58 per cent, while the least bad was Sakura Bank, down 17.9 per cent.

Japan's city banks: Interim results (Ybn)

	Operating Profit	% change	Rising Profits	% change	Net Profits	Total bad loans	1996-97 recurring profit*
Chiba	1,022	-1.1	1,022	-1.1	1,022	1,022	100.0
Coop	153.0	-4.4	64.0	63.3	54.7	875.6	110.0
East Asia	1,022	-1.1	1,022	-1.1	1,022	1,022	100.0
Dai-Ichi Komyo	175.3	+28.7	24.5	-52.3	16.0	1,411.3	40.0
First	1,022	-1.1	1,022	-1.1	1,022	1,022	100.0
Sumitomo	137.9	-32.0	88.0	25.0	51.3	1,384.5	80.0
Tokai	76.8	+41.7	30.1	-33	29.8	1,074.5	50.0
Tokushin	15.7	-41.3	3.7	-35.9	3.4	932.3	7.0
Total	76.8	+41.7	30.1	-33	29.8	1,074.5	50.0

*Source: Companies

As a result, average net interest margins shrank from 1.38 per cent to 1.26 per cent and the group reaped a mere Y18bn in bond trading profits, a small fraction of the Y423bn made in the bond market in the first half of last year.

Added pressure on operating margins came from a rise in expenses, an estimated 2.5 per cent across the board. This was entirely because the finance ministry ordered a seven-fold increase in deposit insurance premiums at the start of the fiscal year to establish a better fund for bailing out depositors.

The fact that the banks can afford to be less aggressive in writing off bad debts this year raises the question whether they have made adequate progress in providing for bad assets.

The group as a whole has only inch forward. Overall provisions stood at 52 per cent of bad loans at the end of September, up one percentage point from the same time last year. Most analysts accept that, in the current weak state of the property market, this is inadequate.

Some banks have been able to afford far better provisions than others. Tokai is exemplary, with a 66 per cent provision ratio, followed by the Bank of Tokyo-Mitsubishi with 57 per cent and Sakura with 56 per cent. Hokkaido Takushoku is the weakest, with a 37 per cent provision ratio.

In spite of the decline in operating profits, most of the group managed to increase their capital adequacy. Overall, their capital to risk assets ratio advanced a fraction, to 8.3 per cent, comfortably ahead of the internationally approved minimum, but well below their main international competitors.

The improvement was chiefly a result of the issue of new capital, rather than unrealised profits on their securities portfolios, since the Japanese stock market fell slightly during the first half. More capital is to come in, judging by yesterday's announcement from Fuji Bank that it plans to issue Y210bn of preferred shares.

Italian clubs face challenge of two halves

Seria A sides seek financial - as well as sporting - success

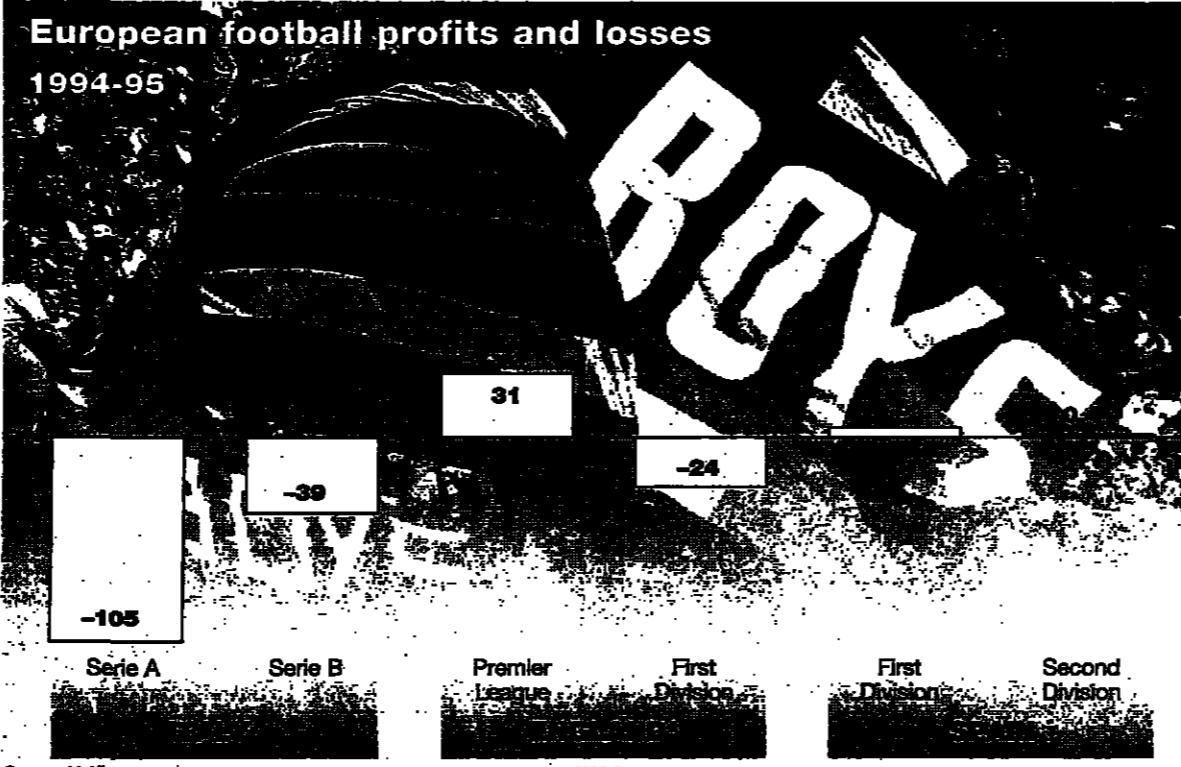
With total annual losses of over L1,000bn (\$6.8bn), the 18 football clubs in Serie A, Italy's top division, are being outplayed off the field by their British and Spanish rivals. So concludes a report by McKinsey, the US management consultants,

As Italian gates fall, McKinsey points to heavy costs and the need for fresh income. The whole of Serie A, it says, makes less from merchandising, for example, than some British clubs on their own.

A law recently passed by the Italian parliament which will allow clubs to distribute dividends to shareholders instead of having to reinvest their profits, should spur a tougher business approach. After three years in profit, a club would be able to float on the Milan stock market, as Manchester United and Tottenham have done in London. But this remains a remote prospect for Serie A clubs, as none has a record of three years in profit.

"Italian soccer must change its financial performance," says Mr Luigi Predeval.

Another helpful govern-



ment measure is a three-year breathing space in which to deprecate assets. This will allow them to handle the consequences of the Bosman ruling by the European Court of Justice. Named after a Belgian player who brought a restraint-of-trade case against his club, this ban transfers fees for out-of-contract players moving to another country. Clubs can thus no longer assume a residual value for a player at the end of his contract.

Inter Milan is about 12 per cent owned by Pirelli, the Italian cables and tyres

group, and about 80 per cent by the chairman, Mr Massimo Moratti, the son of a successful chairman of the 1950s and 60s. "When Mr Moratti came to the club early last year, it was in such a bad financial and sporting position that someone had to save it," says Mr Predeval.

Total income in Italy from TV will have risen from L20bn in 1994-95 to L37bn in 1997-98, but is not increasing as in other countries. Mr Predeval claims big clubs are not getting the reward for providing big audiences for the pay TV service of Telep, which transmits Serie A and Serie B matches, and for the pay-per-view coverage by Europa TV, "Inter, Juventus and AC Milan fans provide 64 per cent of subscriptions for pay-per-view but don't get 64 per cent of viewing rights," he says.

Mr Predeval wants decisions made "with more brain and less heart", but he also knows Inter fans want press releases maintained on the pitch. "We are sustaining the cost of a team which could win everything, but so far has not won enough."

John Simkins

Software sales help Sega advance 16%

By Michio Nakamoto in Tokyo and Alice Rawsthorn in London

Strong sales of software for the Saturn video game system helped Sega, the Japanese electronic games and amusement park company, to return to profits growth during the first half of this year.

Sega, which was badly affected by the downturn in demand for video games during the mid-1990s, achieved a 16 per cent increase in recurring profits to Y12.76bn (\$114.6m) in the six months to September 30, while net profits rose 9 per cent from Y5.83bn a year ago to Y6.03bn.

Every area of activity showed revenue growth during the first half, with sales increasing 12 per cent from Y15.64bn in the same period last year to Y17.48bn. In addition to Saturn software, another successful new product was a printing machine that turns photographs into stickers and has become a craze among young women in Japan.

The popularity of the printing machine contributed to a strong performance from Sega's commercial games business, which saw revenue in the interim period rise 14 per cent, from Y8.3bn in the first half of the previous year to Y9.7bn.

Sega expects to see continued growth from this division in the second half, with revenue increasing from Y8.49bn to over Y10bn for the full financial year.

Similarly strong sales of Saturn enabled the consumer games division to raise interim revenue 14 per cent, from Y14.7bn to Y16.4bn.

Sega sold 2.85m Saturn systems during the first half and 8.22m software units, notably *Knight* and *Fighting Vipers*. However, the launch costs have been so high that this software has not yet contributed to profits.

So far the Saturn has been outsold by its arch-rival, the Sony

PlayStation. It now faces additional competition from the Nintendo 64, the next generation of games system, which was launched in Japan and North America this autumn, and is due to be introduced in Europe next spring.

The weakest activity during the first half was in the amusement parks division, where the market was highly competitive.

The division posted negligible revenue growth of 2 per cent, from Y12bn to Y13bn, in the first half.

For the full year, however, Sega expects stronger growth to over Y56bn, compared with Y52.1bn for the previous year.

refocusing which started last year under a new management team. Hardy made a £25m provision last year to cover the cost of concentrating on four areas - the UK, Australia, India and Pakistan - while withdrawing from others.

The proceeds of the US sale reduced the group's net debt from \$107.1m at the March year-end to \$16.6m at September 30. gearing was cut from 55 per cent to 4 per cent.

Hardy said it intended to spend £250m to develop two fields over the next five years. Mr van der Wells said that the Elgin field in the North Sea, which forms the bulk of reserve estimates, was expected to receive development permission from the government in the coming months.

Operating profits doubled

the details must be published in order to clear up uncertainty about Greycoat's future.

Moorfield is proposing an all-paper merger and a subsequent demerger of Greycoat's properties and other businesses. Greycoat executives have so far only seen a one-page summary which they dismissed as "vague". Neither Mr Marc Gilbord nor Mr Graham Stanley, the two City analysts who founded Moorfield last year, were available for comment last night.

Mr Michael Beckett, Greycoat's chairman, said the company would hold an extraordinary meeting on December 5 and warned shareholders that unless they voted against the bid it risked being approved by

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Moorfield is proposing an all-paper merger and a subsequent demerger of Greycoat's properties and other businesses. Greycoat executives have so far only seen a one-page summary which they dismissed as "vague". Neither Mr Marc Gilbord nor Mr Graham Stanley, the two City analysts who founded Moorfield last year, were available for comment last night.

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COMPANIES AND FINANCE: UK

Fine Art shares drop 40% after warning

By Peggy Hollinger

Christmas will not be so merry this year for Fine Art Developments, the greetings card and mail order company which does most of its business in the festive season, following a profits warning yesterday which knocked 40 per cent off the group's shares.

Mr Keith Chapman, chairman, warned that profits would be "substantially below market expectations" due to a sharp fall in the mail-order division. He

admitted that, "with hindsight", the decision not to run a marketing campaign this year on agency mail-order - whereby agents receive commission on sales - had been a mistake.

Sales for the 33 weeks to November 15 were some £7.5m lower than last year - a fall of 11 per cent.

The market cut 17p off the group's shares on the news, to close at 262½p. Analysts also pulled back annual profits forecasts by about £16m to £30m.

The group took the view

that a campaign giving discounts on early orders had not been successful last year and it was cancelled, Mr Chapman said. "With hindsight we now believe it did stimulate activity."

Efforts to rectify the situation - through a special fine marketing campaign - did result in some pick-up, but not enough to make up for the initial loss of business.

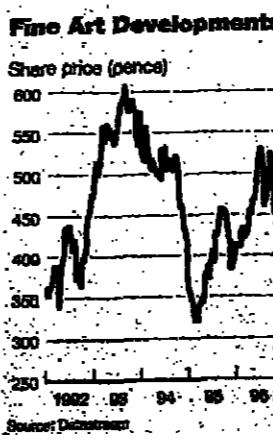
Furthermore, the group's peak trading period - the weeks running up to mid-November - did not appear to have benefited from the

extra marketing spend. Fine Art also revealed that the wholesale card side was suffering from a greater than expected decline in sales of cards to independent retailers. The group is expected to take a £1m charge for restructuring this division.

• COMMENT

Fine Art is not likely to be looking forward to its interim results in three weeks. The mistakes on marketing might just have been understandable, as the group was sitting on a record cus-

tomer base at the beginning of the year. It assumed - perhaps too blithely - that demand from that base would not need much encouragement. But that error has come very much at the wrong time. Fine Art has now lost significant ground in a declining mail-order market. Any attempt to catch up those lost sales will be that much harder. On forecasts of £30m, the shares are on a forward rating of just under 11 times. Given the fundamentals of the market, this seems about right.



NEWS DIGEST

Minerva raises £71m via placing

Minerva, the private property company owned by Mr David Garrard and Mr Andrew Rosenfeld which is float ing next week, has raised £70.6m from a share placing valuing the company at £144m.

The issue price of 150p is at a slightly larger discount of 14.7 per cent to the company's pro forma net asset value than had been expected. Dealings in the shares start next Thursday.

HSBC Samuel Montagu, sponsors of the issue, said the decision to opt for a higher discount reflected the company's desire to attract a strong institutional following and ensure a good premium in two or three months when the market for the shares settles down.

Following the placing, Minerva's directors will retain a 51.3 per cent stake, of which 50 per cent is spread equally between the family interests of Mr Garrard and Mr Rosenfeld. HSBC is purchasing a stake of about 10 per cent.

The remaining shares are spread among about 40 institutions, most having less than 3 per cent.

Some £17m of the placing proceeds are to go towards the recently announced £25m purchase from Ladbrooke of the head office of Banque Paribas in London's West End. Minerva owns the adjacent property in Wigmore Street.

The rest of the proceeds will be used to reduce borrowings by £26.6m, leaving £25m to fund future purchases and other property development opportunities.

Following the issue, the group will have net debt of £232m, giving gearing of 138 per cent against shareholders' funds of £168.5m and gross assets of £422m. The company, founded in 1988, had increased its gross asset value by 53 per cent before the placing. *Andrew Taylor*

Cost savings aid Hyder in 25% rise

By Jane Martinson

Hyder, the Welsh multi-unit, listed interim pre-tax profits up 25 per cent to £100.7m following January's £28.3m acquisition of Swalec, the regional electricity company.

Mr Iain Evans, chairman, said cost savings from the merger - expected to add up to £10m a year by the end of the century - were ahead of target. The savings chiefly derive from 900 job cuts over the next three years and the integration of services at Welsh Water and Swalec.

Hyder said yesterday that the first year's target of £27m was likely to be beaten. The group was also looking at additional savings from operational changes.

The evidence on savings, combined with profits at the top end of expectations, helped lift the shares 10½p to 752½p.

Hyder has made a number of disposals following the merger. Last month's sale of its 40 per cent stake in CableTel South Wales prompted a £13.9m write-down.

The group repeated its commitment to increasing its unregulated infrastructure businesses. Unregulated activities contributed £13.1m to profits, although 28.6m of this came from Hyder Services, the new division which serves the core utility businesses. It is still reviewing the future of its collection of electrical contracting businesses.

Total sales were down by 14 per cent to £5.5m, representing 37 per cent of the total for the six months to September 30. Turnover from the North American business increased 23 per cent to £6.2m, while the rest of the world showed a modest 6 per cent advance to £3.1m.

Sir Peter said he saw considerable potential from the July acquisition of the stock and exclusive distribution rights of Liberty Furnishings throughout the world, except Japan.

The shares fell 9¾p to 842½p in thin trading.

Northern hopes 'unrealistic'

Hopes by Northern Electric, the Newcastle-based electricity company, of achieving a higher price than the 630p currently on offer from CalEnergy were unrealistic, Mr David Sokol, chief executive of CalEnergy, said yesterday in a letter to Northern shareholders.

He said Northern's defence document, published earlier this week, contained no new information. Northern's mention of a special dividend to be paid next February was already in the price, Mr Sokol said.

"Our ordinary offer remains the only way for shareholders to receive 630p in cash for their share," he said. Northern said last night that CalEnergy was using out-of-date information and was "missing the point" in its comparisons with East Midlands Electricity. Mr David Morris, chairman, said: "We believe our shareholders will be more interested in what we have to say next week."

One Northern adviser said: "The most interesting thing to come out of this document was the erratum slip."

Osborne & Little lifts dividend

Osborne & Little, the furnishing fabric and wallpaper designer and distributor, maintained its growth with interim pre-tax profits up 18 per cent to £2.02m on turnover ahead 16 per cent at £14.8m.

Shareholders benefit from a 78 per cent jump in the interim dividend from 4½p to 6p, which Sir Peter Osborne, chairman, said reflected profitability and available cash resources, as well as representing more accurately the percentage of profits made in the first half. Earnings per share rose to 20.2p (16.9p).

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Home Counties warns

Home Counties Newspapers yesterday issued a profits warning following an aggressive competitive battle in one of its main operational areas and slower than expected benefits from its Herald Newspapers acquisition.

HCN predicts pre-tax profits for the year to December 31 in the region of £800,000. This excludes any profit on the sale of the group's investment in Classic FM and the Press Association.

The directors expect to maintain last year's dividend by recommending a final of 3p, making a 5.5p total. Analysts revised their pre-tax forecasts down to £800,000 (£1.4m). The shares fall 21p to 240p.

Fall in prices hits Stoddard

Stoddard Sekers, the carpet maker that has been rationalising its operations, saw an increase in pre-tax losses from £825,000 to £986,000 in the six months to September, as costs rose and prices dipped.

Demand for tufted carpets - "essentially a commodity market" - remained depressed, although overall "a recovery in volume demand is slowly being accompanied by better prices". Sales were maintained at £26.2m: the interim dividend is also maintained, at 37.5p.

Break for the Border ahead

Break for the Border, the restaurant, theatre and event catering group, lifted interim pre-tax profits by 83 per cent to £521,000 as operating margins improved from 6.6 per cent to 8 per cent.

The bar and restaurants side raised sales by 10 per cent with the conversion of its unit in Oxford Street, London, into a Break for the Border themed restaurant. The music and theatre division lifted like for like sales by 10 per cent, while acquisitions more than trebled actual sales.

Total turnover was 57 per cent ahead at £11m in the six months to September 30.

Select reduces US offering

Shares in Select Appointments dropped 46p to 342½p as the USM-quoted international recruitment agency announced a reduction in the size of its planned US offering by which it is joining Nasdaq.

It cited a downgrade of the market rating of the staffing services sector in the US as the reason for the adjustment.

The company previously said it expected the US offering to include some 5.2m American Depository Shares at \$13.50 (£7.90) to \$15.50 apiece. Each ADS represents two ordinary shares. The directors also expect that the US offering will not now include a secondary offering of existing ordinary shares. The new price range is expected to be announced on Monday.

APPOINTMENTS

MARKETING

As a member of this leading international investment company's commodities team you will be required to provide coverage for the emerging markets. Responsibilities will encompass marketing commodity driven instruments and products related to oil and other metals companies, including commodity derivatives related activities and structured hedging programmes for senior marketers, providing general quantitative support, analysis of deal structures, creation of models and deal pro formas. Applicants, aged 25-30 and educated to post graduate degree, should have minimum three years' relevant business experience to include structured finance products and derivative instruments. Salary negotiable.

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Considering disposals: Ralph Bernard (left) with Patrick Taylor, deputy chief executive

Acquisitions and firmer advertising lift GWR 55%

By Christopher Price

Helped by a firm advertising market and acquisitions, GWR, the fast-expanding radio operator, lifted annual pre-tax profits by 65 per cent from £5.3m to £8.23m.

Turnover for the year to September 30 rose by 6 per cent to £52.2m. Operating profits from continuing operations increased by 36 per cent to £7.22m.

Purchases, including the Chiltern and Mid Anglia stations, contributed £1.45m.

The company incurred £1.03m in abortive bid costs, mostly in its attempt to buy Radio New Zealand. Mr Ralph Bernard, chief executive, said the potential prize justified the cost - and also alerted management to the purchase of Prospect Radio, another large New Zealand station.

However, GWR's acquisition of 83 per cent of Classic FM in September prompted the decision to dispose of

Prospect, sold this week at a profit of £3.2m. GWR is also selling a third of its 31 per cent stake in London News Radio for £2m - which would result in a profit of £1.5m - in order to comply with broadcasting ownership rules.

Some other disposals were also under consideration said Mr Bernard, with smaller AM licences prime candidates.

Classic FM's overseas interests would also be reviewed. The overseas business, which has interests in the Netherlands, Sweden and Finland, incurred losses of £2.4m last year, while the UK operations made profits of £1m.

Mr Bernard said the year had started brightly, with radio continuing to increase its share of the advertising market.

Earnings per share rose 11 per cent to 7p before the abortive acquisition costs.

A final dividend of 1.53p makes 2.6p for the year, a rise of 20 per cent.

• COMMENT

GWR's management has shown that despite the distractions of a very acquisitive year, it was able to produce an impressive set of results. The continuing healthy state of the radio advertising market and the group's strong mix of stations, should provide a good basis for organic growth. However, it will be increasingly restricted in its ability to make acquisitions under current legislation and this may temper expansion. Profit forecasts of £13.3m, including exceptional gains but excluding £1.5m of reorganisation charges, put the shares on a forward multiple of 21 times. A 45 per cent premium to the market and a 20 per cent premium to peers like Capital Radio suggests a correction may be overdue.

The directors expect to suggest that the shares should rise much higher, certainly while political uncertainties persist.

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends	
						Corporating dividend	Total for year
Berisford	Yr to Sept 28	51.9 (403.2)	24.36 (26.9)	12.8 (15.7)	3 Jan 31	2	4.5
Break/Border	6 mths to Sept 30	11 (7.04)	0.521 (0.285)	1.45 (0.84)	8 Jan 20	0.5	1.95
Cambridge Water	6 mths to Sept 30	7.81 (7.78)	2.71 (2.67)	11.95 (11.38)	4.87 Jan 2	3.89	8.89
GWR	Yr to Sept 30	52.2 (28)	7.184 (5.31)	9.7 (6.3)	1.53 Dec 12	1.27	2.17
Hydro Oil & Gas	6 mths to Sept 30	21 (24.7)	2.7 (0.613)	2.3 (0.2)	-	-	1
Hyder	6 mths to Sept 30	547.7 (605.1)	100.7 (80.6)	57.11 (57.4)	14.6 Mar 3	12.6	38.7
Morgan S	6 mths to Sept 30	70.3 (64.6)	0.299 (0.267)	0.29 (0.2)	0.5 Feb 8	0.5	0.5
Neill Clark	6 mths to Sept 30	1.57 (1.25)	0.238 (0.207)	0.48 (0.288)	4 Jan 28	4	8
Osborne & Little	6 mths to Sept 30	14.8 (12.8)	2.02 (1.89)	2.02 (1.69)	8 Jan 22	4.5	-
Quadrant	6 mths to Aug 31	25.9 (26.9)	0.6571 (14.26)	1.921 (1.352)	1.921 (1.352) Feb 13	0.375	-
Standard Sekers	6 mths to Sept 30	26.2 (25.9)	0.9861 (0.825)	1.7 (1.2)			

WEEK IN THE MARKETS

Gold quiet following sell-off

By Susanna Voyle

After a troubled week, gold closed in London yesterday little changed from the near two-year low it hit on Thursday.

The market was seen to be consolidating after Thursday's sell-off which was caused by producers selling forward to lock in future profits while speculators continued to go short, selling gold they did not own in the expectation that they could buy it later at a lower price.

Gold ended the week at \$277.15 a troy ounce, up 50 cents from Thursday's close. On Thursday it had slipped to \$277, the lowest since March 6 last year.

Analysts are divided about the direction the gold price might take in the longer term. "Even with the current softness in demand... there remains a strong possibility of a price recovery over the coming weeks," according to Deutsche Morgan Grenfell.

It analysts suggest that commodity and hedge funds have built up a big short position in the market.

"Should the shorts fail to drive the market to the key \$370 level, then a short-covering rally could develop," they say. "Prices could rise quickly, by \$20-\$25 an ounce. However, this would likely be just a two to three-month trading bounce."

Flemings Global Mining Group, however, says it is "neutral" on gold's outlook. It sees only a small increase in prices over the next few years, from an average of \$385 a troy ounce this year, to \$410 a troy ounce, \$40 in 1999 and \$415 in 2000.

On the London Metal Exchange yesterday base metals fell back from earlier

highs mainly due to end-of-week profit-taking, said traders.

Copper for three-month delivery ended the week at \$2.08 a tonne, down \$4 on the day and down \$12 on the week. Earlier in the day it had hit a high of \$2.218. On Wednesday, the metal reached a five-month peak of \$2.240 a tonne.

Traders will be watching next week's stocks data closely. Several expect inventories to rise after a string of declines, and this could spark speculative selling.

Analysts at Billiton Metals say the two-year outlook for copper is "better, but not spectacularly so". They say that even the most optimistic economic growth projections for the next two years do not suggest any big

rebound for demand. They believe the market will "record a pretty hefty surplus over the next two years". However, "this does not preclude the possibility of near-term price spikes".

Aluminium for three-month delivery closed yesterday at \$1,530 a tonne, having started the day at \$1,504 and the week at \$1,411. Earlier in the day it had reached a three-and-a-half-month high of \$1,535 a tonne.

Traders said a tight physical market and recent investment fund buying had helped underpin the price.

"Although it's below its highs, aluminium has performed well on the upside, a move that may encourage fresh short-covering next week," said one.

In spite of a rise in nickel stocks yesterday, the metal snapped higher. It was last at \$6,910 a tonne, up \$40. On Monday the metal had hit a two-year low of \$6,650, and several traders expect the price to go down next week.

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BASE METALS

London Metal Exchange
(Prices from Amalgamated Metal Trading)

ALUMINIUM, 99.7% PURITY (\$ per tonne)	
Cash	3 mths
Close	1507.0 - 0.5 1529.7
Previous	1487.5 - 0.5 1504.07
High/low	1507 1535/1513
AM Official	1507.75 - 0.5 1526.85
Kerb close	1530.31
Open Int.	229,943
Total daily turnover	80,770

ALUMINUM ALLOY (\$ per tonne)	
Cash	705.6 - 0.2 706.7
Previous	705.3 - 0.2 706.5
High/low	705.6 - 0.2 706.5
AM Official	705.40 - 0.2 706.5
Kerb close	706.75
Open Int.	5,161
Total daily turnover	9,808

LEAD (\$ per tonne)	
Cash	705.6 - 0.2 706.7
Previous	705.3 - 0.2 706.5
High/low	705.6 - 0.2 706.5
AM Official	705.40 - 0.2 706.5
Kerb close	706.75
Open Int.	5,161
Total daily turnover	9,808

TIN (\$ per tonne)	
Cash	6805.15 - 0.2 6806.25
Previous	6780.00 - 0.2 6800.00
High/low	6775.00 - 0.2 6805.25
AM Official	6770.75 - 0.2 6810.20
Kerb close	6810.20
Open Int.	47,047
Total daily turnover	10,717

NICKEL (\$ per tonne)	
Cash	6805.15 - 0.2 6806.25
Previous	6780.00 - 0.2 6800.00
High/low	6775.00 - 0.2 6805.25
AM Official	6770.75 - 0.2 6810.20
Kerb close	6810.20
Open Int.	47,047
Total daily turnover	10,717

ZINC (\$ per tonne)	
Cash	6805.15 - 0.2 6806.25
Previous	6780.00 - 0.2 6800.00
High/low	6775.00 - 0.2 6805.25
AM Official	6770.75 - 0.2 6810.20
Kerb close	6810.20
Open Int.	47,047
Total daily turnover	10,717

MEDIUM DRAWDOWN STOCKS (tonnes)	
Aluminium	6,900,475 to 6,901,475
Aluminium alloy	-100 to 78,600
Copper	+1,225 to 118,400
Nickel	+438 to 45,414
Zinc	-2,900 to 52,150
Tin	+15 to 9,258

HIGH DRAWDOWN STOCKS (tonnes)	
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COMMENT & ANALYSIS

FINANCIAL TIMES

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Saturday November 23 1996

Honest Ken or Mr Fudge?

If honesty is the second best policy for winning an election, what should Mr Kenneth Clarke say in Tuesday's budget speech? The UK chancellor should be honest, not just for his own and his party's reputation, and the country's good, but because it might appeal to the public.

He will be faced in the last budget of this parliament with a strong consensus that fiscal policy should be tightened. The Trades Union Congress and the Confederation of British Industry stand together under the banner of "No Tax Cuts". The Bank of England has been giving the same advice. The City, although resigned to a small headline tax cut, would also like tighter policies.

And since the Tories are so far behind in the opinion polls, handing out a few greasy titbits from the pork barrel may do little to restore their fortune, especially since Labour has clothed itself in the semblance of fiscal virtue.

The arguments for raising taxes (and controlling spending) have become steadily stronger this autumn. Recent figures all point one way: towards accelerating economic activity and an increased risk of inflation.

These figures offer Mr Clarke the first temptation which he must resist on Tuesday. For if ever a chancellor wanted to perform a sleight of hand, he could hardly have started with better cards. The government finances in October showed a £2bn surplus, about twice what was generally expected. Industrial production is at last recovering, manufacturers are taking on more labour; the latest CBI survey shows a recovery of order books; the government's longer leading economic indicator now points to stronger economic activity a year hence; retail sales reached a record in October.

Housing starts in September were 32 per cent higher than last year. October car production was at its highest level in the industry's history. Unemployment continues to fall and will soon be below 2m.

Tory pledges

Every line could be a winner, and for Mr Clarke, there will be plenty more in his little red book to keep the Tory benches cheering... strong economy... government financial heading for the black... headline inflation still only 2.7 per cent... sterling strong... therefore prudent to honour Tory pledges to cut income tax.

But no, chancellor, do not be tempted. As Treasury officials have doubtless explained, the improved borrowing figures will still leave the government's deficit at around 3% per cent of GDP. This is far too high for an economy in its fifth year of expansion and showing every sign of repeating the inflationary surge of the late 1980s (albeit at a rather subdued level).

Strong pound

Temptation number two will be for Mr Clarke to say that the strong pound will control inflation and thus give us "room for manoeuvre". Sterling has indeed risen to 11 per cent above its low point a year ago and is now only 1 per cent below its level in October 1992, before it fell out of the Exchange Rate Mechanism. If sustained, a strong pound will certainly help to contain the costs of imports.

It will also hit exports. And this is just what the UK economy does not need at the start of a consumer boom, especially when investment is still relatively depressed. A tight fiscal stance, on the other hand, might convince the markets that interest rates need not rise too much. This would bear down on sterling and possibly avoid the need for interest rate rises just before the election.

There is another argument for fiscal prudence. British government debt has more than doubled since 1991. At 60 per cent of gross domestic product, it is embarrassingly higher than when the Tories came to power in 1979. Because interest rates are subdued, the burden of servicing this debt is relatively bearable at 3.3 per cent of GDP. Still, this is more than the defence budget, and is a powerful reason for raising taxes rather than interest rates.

Mr Clarke's third temptation will be to pretend that he can curb the growth of public spending below its recent real rate of about 1½ per cent a year. No prudent chancellor would use unrealistic future savings as an excuse for tax cuts now.

If he can magic a few billions from cuts elsewhere, his fourth temptation would be to pretend that a cut in the basic rate of income tax helps the poor more than the well off. But if he does make his economic judgment honestly and reduces borrowing, the rest is showbiz and he will have earned the right to play the conjuror.

In less than 10 years, personal computers will be able to recognise people, talk to them and understand what they say, according to Mr Bill Gates, chairman and chief executive of Microsoft, the world's largest software company.

PCs will also be able to understand facial expressions and gestures, he told this week's Comdex autumn exhibition at Las Vegas in the US. This could ultimately allow a user to control the functions of a PC simply by looking at an object on the screen and speaking a command.

You might, for example, look at the pawn in a computer chess game and tell it where to move, or fix on the character in a Star Wars game and tell it to shoot.

The PCs of the future will also adapt to the user's needs, skill levels, interests and working styles. They could even anticipate needs for assistance or information.

Such predictions are the opening shots in what is rapidly becoming known as the "battle for the eyeballs" - the struggle by the PC industry to replace the television as the primary home entertainment device.

Industry leaders believe they can sustain the double-digit pace of annual sales growth into the 21st century only if they can draw consumers' attention away from the TV screen on to that of a PC.

"Consumers have a choice. They can turn on the television or interact with multimedia PCs," says Mr Andrew Grove, chief executive of Intel, the world's leading chipmaker. He believes the industry will have to create irresistible new features if it is to steer consumers towards the PC screen.

The TV, however, has a big headstart: worldwide, there are about three times as many TV sets in use as PCs. They are far simpler and much less expensive. Moreover, the PC lags as a receiver of high-quality video images transmitted via networks.

But annual sales of PCs, approaching 70m, will overtake those of TV sets either this year or next. And the PC is fast reaching the point where it begins to rival the quality of TV - or even overtakes it with "visual computing" technology. Early next year, for example, Intel will introduce MMX microprocessors with multimedia processing that will bring crisper, more detailed three-dimensional images to the PC.

The most advanced PC users - 10-year-old kids - are demanding real-world, interactive, three-dimensional and lifelike experiences," says Mr Grove. "The TV set cannot meet these demands."

Similarly, researchers at Microsoft are developing techniques for rendering highly realistic scenes, lifelike animation and "virtual environments" on a PC. These effects can already be produced using high-powered and high-cost computers such as those used to create Hollywood animation. Microsoft's goal is to extend such techniques to owners of low-cost PCs.

With an annual research budget of more than \$2bn (£1.2bn), Microsoft is putting much of its efforts into ambitious "high-reach" projects. "We aim to make the PC more personal," says Mr Gates.

The computer is going to know how you're reacting to things. In fact, if you are willing,



CUMMINGS

to we could define a new type of return receipt e-mail that not only says that a message was read, but also describes your reaction," he says.

One of the most anticipated breakthroughs in PC technology is speech recognition. To date, the abilities of a PC to understand what it "hears" are limited. Yet within the next 10 years PCs will not only understand what people are saying, but will be

able to converse with them, Mr Gates predicts.

"When we look back at today's personal computers, I think we'll say: 'Hey, these were the machines that couldn't listen, couldn't talk, couldn't see.'"

This is not to say that the TV set will become obsolete. With the addition of computer technology - either in the form of a set-top box or built-in computer chips - it is likely to become an alternative screen on which to view Internet Web pages.

A similar idea is also possible for video games machines, which some makers now fit with modems to link them to the Internet. Specialist Internet telephones that can receive and send e-mail are also on the way.

"There will be hundreds of different devices hooked up to the Internet a year from now," Mr Grove predicts.

None of this will challenge the PC, says Mr Gates. "The PC is still the full-screen device that you want to sit next to, to edit your e-mail, do your taxes, do your homework. It is the full-scale approach."

PC industry leaders also dismiss the challenge posed by the network computer, a \$500 terminal that will link users to the Internet.

Supporters of the network computer include Mr Larry Ellison, chairman and chief executive of Oracle, the software company. They believe that as a rival to the TV, the PC is too expensive and too difficult to use.

Intel's Mr Grove says the network computer is chasing the market occupied by PCs yesterday - word processing, e-mail and so on - and working out how it might be done less expensively.

"They have a static view of personal computing. The difference is that we have a propensity to look forward and explore new applications," he says.

If the PC industry is to develop the technology to handle these new applications, it must become the dominant force in home entertainment. Only then could it hope to raise the enormous sums to invest in the next generations of the microprocessors needed to handle the futuristic applications under development.

By 2011, Intel expects to be able to produce microprocessors with 250 times the computing power of today's highest performance chips. Yet factories capable of producing these "Micro 2011" devices are expected to cost in the region of \$10bn each, a four-fold increase over today's most advanced semiconductor plants.

"The economics of our industry only work if we have large numbers of users demanding our technology," says Mr Grove.

Only by attracting new users can the PC industry afford the very large speculative investments needed to move the technology forward. "We need to be relentless in our efforts to increase the number of users and different uses of our technology. Just as we are investing in technology for the long term, we need to target the new users of the future today," he says.

As well as drawing a new generation of consumers to the PC, the industry must demonstrate that its multimedia technologies have value for businesses, says Mr Grove.

For example, the combination of multimedia technologies and computer networks would allow online business training sessions and easy remote access to central information resources.

The greatest risk facing the PC industry, Mr Grove believes, is that users might become bored. If this were to happen, it could lead to a reduction in research spending and a slowdown in the development of new applications.

Yet there are no signs that this is about to happen. The battle for the consumer's eyeballs is on - and it is coming to a PC near you soon.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Gold sales against national interests

From Mr Ethan B. Stroud.

Sir, It is ironic, if not politically fraudulent, that some European countries plan sales of their gold reserves to qualify for Emu. The specious and abortive theory is that such sales would reduce the present budget deficit. What will be sold for next year's deficit, and the next and the next? For example, the US at present owns a total of about 260m ounces of gold. If this gold were sold at \$1,000 an ounce (not \$384.00, its present value) it would fetch some \$260bn. This sum would barely pay for one year's - 1996 - US deficit.

As most schoolchildren know,

this gold was slowly and laboriously acquired to back and give value to an otherwise worthless paper currency. Gold is no longer a *de jure* reserve for currency, but a *de facto* one. To deplete these gold reserves even more than recent sales have done is to take one giant step to render all currencies totally worthless.

Ask the same schoolchildren if they prefer one paper dollar or one gold coin dollar. When this European gold ends up in Asian treasuries, who will accept worthless, I owe you nothing, Emu paper?

An infinitely better idea is to value this gold reserve at present fair market value and present

greatly enhanced balance sheet for Emu purposes. Moreover, governments should encourage a higher gold price, thus increasing their own net worth.

Barbara Tuckman's entire book *The March of Folly* makes the distressing point that since the Greek Horses appeared at the gates of Troy, governments have inevitably pursued actions exactly opposite to those of their own best interest.

Ethan B. Stroud, attorney at law, 8528 Breakers Point, Dallas, Texas 75243, US

subsidiised European tobacco farmers and unproven fatalities.

Though it may be difficult for single issue ideologues to grasp, a better case can be made for reform of the entire Common Agricultural Policy than stigma-

tising 135,000 EU farmers whose chief sin is that they work small patches of land generally incapable of diversification.

Anthony Wood, 48 Whieldon Street, Amersham, Bucks, UK

tisation of designer wines a threat to small-scale independents

From Mr Anthony Wood.

Sir, At the risk of being labelled an iconoclast and deranged dissenter, I would suggest that the Association for Public Health (Letters, November 20) re-thinks its illogical case which proposes a connection between

rest of them, and certainly in need of money to reinvest in our businesses - but the tidal wave of high-yield varietals, designer wine and big business (be it Australian or Bordelais) seems unrelenting. The voracity of such giants as the Val d'Oribeau is likely to lead to standardised wine and very little consumer choice, not to mention headaches and the obliteration of taste buds.

The survival of relatively

wines from the vineyard to the bottle - as opposed to *caveau*s who sell their grapes to wine factories - may well depend on whether or not wine journalists give as much space to the thinking consumer as they do to the sort of bargain-hunter who will travel 20 miles to another supermarket in order to get 50p off a tin of the same cat food.

It's time your readers were treated with more respect and asked to consider the kind of future which awaits those who

Alternative perspective on Alitalia

From Mr A. Ottaviani.

Sir, Upon reading your Observer's comment on Alitalia's new "Team" logo ("Many miles to go", November 18), and having been inconvenienced by this airline's service more than once, I am reminded of a banner displayed by striking Alitalia workers who were picketing in front of the Fifth Ave office in Manhattan some time ago. According to those unhappy (ex?) employees, Alitalia stands for:

Always
Late
In
Take-off
Always
Late
In
Arrival

A. Ottaviani, 566 Webster Ave, New Rochelle, NY 10801, US

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FINANCIAL TIMES
Financial Publishing

have not yet discovered what lies behind that bottle of designer wine.

With the recent formation of a second, dissident syndicate of vigneron, the battle lines are drawn - in the Corbières at least.

En vous offrant quelques vignes sauvages.

Nick Bradford, Domaine des Pensees Sauvages, Albas, 11360 Durban-Corbières, France

Producer Sue Birtwistle broke the news gently: A Hollywood executive was offering to invest \$1m in her latest TV serial. Would the author be available, asked the executive, for book-signing tours and interviews? No, said Birtwistle. Her health would not permit the usual rigours of publicity. She had, in fact, died. Nearly 200 years ago.

That phone call took place early last year, before the serial under discussion, *Pride and Prejudice*, was screened in Britain. It became the most successful costume drama in the history of the BBC, with ratings of up to 14m viewers.

A co-production with the US Arts & Entertainment Network, it was sold to 18 countries including Poland, Israel, South Africa and Norway, generating revenue of more than £2.3m. It also helped to turn Jane Austen into a household name – even in the households of Hollywood executives.

This weekend the dream team of Jane Austen, Birtwistle and screenplay writer Andrew Davies is set to do it again. At 8pm tomorrow, British viewers will unite around the flickering hearth of the TV screen to watch the two-hour 12am version of Austen's fourth novel, *Emma*.

It comes soon after a glossy Hollywood film of the same story ("there's was a very different interpretation

Woman in the News · Sue Birtwistle A classic persuasion

Annalena McAfee on the producer who has sold Jane Austen to TV audiences

of *Emma*," says Birtwistle darkly). Emma Thompson's film of *Sense and Sensibility*, and a British film of *Persuasion*. But Jane Austen is not the only writer to benefit from this craze for the classics: other recent TV and cinema productions have drawn on the work of Hardy, Eliot, the Brontë sisters and Defoe.

Birtwistle denies that this renewed enthusiasm for costume dramas, which faded from the British TV screens after the 1970s, is a transient fashion. "I don't think the appetite ever goes away for classic works. They only went out of fashion with TV controllers, who felt they should use new writing."

Perhaps the cost, at about £1m an hour for TV costume drama as opposed to £70,000 an hour for more contemporary work, was a consideration. "But the classics have never gone out of style with viewers," says Birtwistle. "They're not classics for nothing. They're brilliant stories, well told."

It was in the mid-1980s that Birtwistle planned her initial pitch to revive the genre. She invited Nick Elliott, then head of drama at

London Weekend Television, the independent broadcaster, to a Covent Garden restaurant with the promise that she had a proposal for a serial based on "the sexiest book ever written".

Over lunch, she and Andrew Davies explained that the serial would focus on "five wonderful girls all living in the same house and desperate to get men". Elliott took the bait, commissioned the first three of six scripts, and was astonished to learn the book was *Pride and Prejudice*.

LWT decided not to back Elliott's enthusiasm and it was eight years before *Pride and Prejudice* was made – by the BBC. The 1995 production has gone down in broadcasting history as a ground-breaking work which introduced new viewers to television. It also introduced new readers to Austen – Penguin sold an astonishing 430,000 copies of the novel in the year after the serial was screened.

Birtwistle's productions are characterised by the breadth of their detail and the depth of their characterisation – in contrast to some heaving-bosom and frock-

coat classics. She has a horror of the "Laura Ashley" ersatz heritage that can be associated with the genre. For Birtwistle, costumes and sets are always meticulously researched but only in service of the story.

"You must not make a generalised design. Emma's father stopped the clock in his youth, for instance, so you must show a house that was last decorated 50 years ago. He and his friends wear the powdered wigs that went out of fashion years before. And Emma doesn't wear pretty bonnets worn by some of the other characters. She wears sassy hats."

"It is the tension of what is throbbing beneath the costumes set against the constraints of the time that makes these characters fascinating," says Birtwistle.

"Their stories are universal – they're about sexual attraction, money, social climbing and the search for a mate. People have always been interested in these themes and they always will be." Davies, who has known

Royal National Theatre, who directed her in a production at the Royal Lyceum Theatre in Edinburgh.

"It was horrible," she recalls. "I played a raven – I was always good in animal parts, not so good at people – and because we were 'walking out' he was careful not to make it easy for me. He ended up giving me a really hard time. I swore I'd never work with him again."

Her resolve, uncharacteristically, weakened and she married him. Birtwistle and Eyre are now directors of an independent production company, Chestermead, which is behind both *Pride and Prejudice* and *Emma*.

"We bought the company's name off the shelf and fantasised about its previous existence. I think it was a medieval banqueting business. Richard thinks it was a double glazing company."

Although Chestermead had early successes, with the award-winning TV production of Anita Brookner's *Hôtel du Lac*, the extraordinary acclaim which met *Pride and Prejudice* took Birtwistle by surprise.

Emma has already been sold to 47 countries and looks set to outdo *Pride and Prejudice*. A book about the production will go on sale from Monday. A certain Hollywood producer will be interested to note that Birtwistle – a shrewd stand-in for the late Ms Austen – will be available for book signing tours and interviews.



Tunnels can be safer than other methods of transport, says Charles Batchelor

Rights and wrongs of passage

The fire which brought the Channel tunnel to a temporary standstill this week has revived fears that travelling through long tunnels, particularly under the sea, is inherently dangerous.

After a series of delays in its opening, rail services between the UK and France have grown strongly over the past 2½ years, and the tunnel now accounts for about 40 per cent of all Dover-Calais traffic.

But this week's events are a setback for the tunnel's operators. They must re-commence the task of convincing travellers that journeys through a long concrete tube beneath the sea are safe. Evidence from other countries suggests that tunnels may be safer than alternative forms of transport.

This will be welcome news to rail travellers. Environmental pressures and the need to design long, flat stretches of dedicated track for the latest high-speed trains mean that new lines increasingly include lengthy stretches of tunnel.

As details of the blaze which led to Monday's emergency evacuation of 34 passengers and the train crew emerged, it became clear that Eurotunnel's safety procedures were tested to the limit.

Train crew members were forced to fall back on the final part of a three-stage safety programme – leading passengers through acrid smoke to the safety of the pressurised service tunnel – after the first two stages failed. Driving the train out of the tunnel was ruled out when a warning light indicated a loading ramp was down and a power failure meant the "club car" carrying the truck drivers could not be uncoupled from the burning shunting wagon.

Concern has focused on the use of open-lattice freight shuttles, which allowed the flames to be whipped up by the wind as the train sped along. Critics of the design – chosen to reduce weight and allow the wagons to carry trucks weighing up to 44 tonnes – have called for them to be fully enclosed.

The first principle of fire protection is to confine the outbreak to

Travel choices			
Distance (km)	Speed (km/h)	Convenience	Cost
230	100	Very convenient	Very expensive
230	200	Convenient	Expensive
230	250	Convenient	Medium
230	300	Convenient	Medium
230	350	Convenient	Medium
230	400	Convenient	Medium
230	450	Convenient	Medium
230	500	Convenient	Medium
230	550	Convenient	Medium
230	600	Convenient	Medium
230	650	Convenient	Medium
230	700	Convenient	Medium
230	750	Convenient	Medium
230	800	Convenient	Medium
230	850	Convenient	Medium
230	900	Convenient	Medium
230	950	Convenient	Medium
230	1,000	Convenient	Medium
230	1,100	Convenient	Medium
230	1,200	Convenient	Medium
230	1,300	Convenient	Medium
230	1,400	Convenient	Medium
230	1,500	Convenient	Medium
230	1,600	Convenient	Medium
230	1,700	Convenient	Medium
230	1,800	Convenient	Medium
230	1,900	Convenient	Medium
230	2,000	Convenient	Medium
230	2,100	Convenient	Medium
230	2,200	Convenient	Medium
230	2,300	Convenient	Medium
230	2,400	Convenient	Medium
230	2,500	Convenient	Medium
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230	2,700	Convenient	Medium
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230	2,900	Convenient	Medium
230	3,000	Convenient	Medium
230	3,100	Convenient	Medium
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230	6,900	Convenient	Medium
230	7,000	Convenient	Medium
230	7,100	Convenient	Medium
230	7,200	Convenient	Medium
230	7,300	Convenient	Medium
230	7,400	Convenient	Medium
230	7,500	Convenient	Medium
230	7,600	Convenient	Medium
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230	8,000	Convenient	Medium
230	8,100	Convenient	Medium
230	8,200	Convenient	Medium
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230	9,800	Convenient	Medium
230	9,900	Convenient	Medium
230	10,000	Convenient	Medium
230	10,100	Convenient	Medium
230	10,200	Convenient	Medium
230	10,300	Convenient	Medium
230	10,400	Convenient	Medium
230	10,500	Convenient	Medium
230	10,600	Convenient	Medium
230	10,700	Convenient	Medium
230	10,800	Convenient	Medium
230	10,900	Convenient	Medium
230	11,000	Convenient	Medium
230	11,100	Convenient	Medium
230	11,200	Convenient	Medium
230	11,300	Convenient	Medium
230	11,400	Convenient	Medium
230	11,500	Convenient	Medium
230	11,600	Convenient	Medium
230	11,700	Convenient	Medium
230	11,800	Convenient	Medium
230	11,90		

CURRENCIES AND MONEY

Lira static

MARKETS REPORT

By Simon Kuper

The lira rose in early trading but closed in London unchanged against the D-Mark after news broke that Italy would probably rejoin the European exchange rate mechanism this week.

The monetary committee of the European Union meets in Brussels this afternoon to decide the terms of re-entry. The lira closed in London yesterday at £599.2 to the D-Mark.

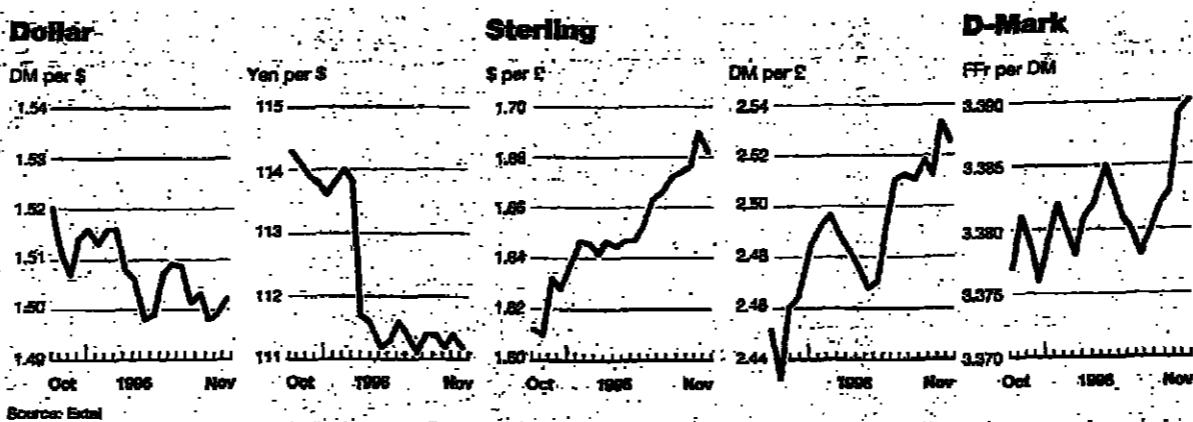
The German currency continued rising against the French franc, closing in London at FF73.381 as traders remained doubtful about whether Paris would stay with its franc policy. This week two senior French politicians called for a franc devaluation, as a way of reducing the country's high unemployment rate. Some traders said the Bank of

France intervened in the markets yesterday to prop up its currency.

The dollar firmed 0.8 pfennigs against the D-Mark, closing at DM1.502 after Mr Klaus-Dieter Kuehbachen, Bundesbank council member, said the dollar "does not currently accurately reflect US economic fundamentals." His comment continued the Bundesbank's recent tactic of talking the US currency higher whenever it falls below DM1.50.

■ POUND IN NEW YORK

Sterling, the most volatile of the major currencies recently, softened on profit taking and reports that its 10 per cent rise since August is starting to hurt UK exporters. The pound ended the day in London 0.8 pfennigs weaker against the D-Mark



at DM2.525 and the 0.9 cents lower against the dollar at \$1.681.

■ MR ANTONIO FAZIO

governor of the Bank of Italy, said yesterday that the Rome government had asked for the lira to be readmitted to the ERM. Mr Romano Prodi, Italian prime minister, said the lira would rejoin the mechanism within "a few hours or a few days".

At today's EU monetary committee meeting, the key debate will be over the cen-

tral exchange rate at which the currency returns.

Italy is likely to press for a rate between £1,000 and 1,010 to the D-Mark. The country fears that too strong a level for the lira would encourage speculative attacks.

France and Germany would prefer a central parity nearer £850, to prevent Italian exports from becoming too competitive. When the lira was ejected from the ERM with sterling in September 1992, its central par-

ity was £802.5.

Economists expect the governments to agree a central parity of £1,000. If the governments compromise at a figure nearer £875, lots of money will be made and lost in the markets on Monday.

There is a chance that the lira will only re-enter the ERM next weekend. Currency strategists said it was possible but unlikely that disagreements in the monetary committee could delay the lira's return. Mr Jean Arthuis, the French finance

minister, said France hoped the lira would return as soon as possible, "assuming that we can fix a parity that is equitable, durable and sustainable."

Italy must rejoin the ERM before the end of the year to retain a chance of joining the first round of European monetary union.

Currency strategists said the country might use the opportunity of its re-entry to cut interest rates, as the markets gained faith in Italian economic stability.

POUND SPOT FORWARD AGAINST THE POUND

Nov 22	Closing mid-point	Change on day	Bid/offer high	Buy/sell low	One month Rate %PA	Three months Rate %PA	One year Rate %PA	Bank of England Index
Europe								
Austria	(Sch) 17.7736	-0.0287	851 - 820	17.2341	17.7308	17.7301	2.9	17.6736
Belgium	(BF) 52.0288	-0.1419	407 - 515	52.1800	51.9628	51.9411	2.9	51.6761
Denmark	(DK) 8.6992	-0.0233	861 - 824	8.6985	8.6973	8.6973	2.9	8.6987
Finland	(F) 1.2052	-0.0075	101 - 100	1.2052	1.2052	1.2052	2.1	1.2052
France	(Fr) 5.8220	-0.0225	565 - 545	5.8207	5.8233	5.8214	2.9	5.8220
Germany	(Dm) 2.2525	-0.0075	244 - 265	2.2530	2.2510	2.2519	3.1	2.2507
Greece	(Dr) 328.450	-1.073	121 - 125	328.450	328.450	328.450	2.9	328.450
Italy	(I) 222.60	-0.04	101 - 118	224.748	224.748	224.748	2.9	224.748
Luxembourg	(L) 1.2047	-0.0075	101 - 100	1.2047	1.2047	1.2047	2.1	1.2047
Netherlands	(Nl) 2.2540	-0.0075	267 - 252	2.2540	2.2520	2.2520	3.3	2.2510
Norway	(Nk) 10.8513	-0.0255	480 - 545	10.7328	10.6318	10.6318	4.4	10.1618
Portugal	(Pt) 255.21	-0.0213	127 - 104	257.407	254.588	255.41	2.9	256.278
Spain	(Ps) 212.536	-0.492	480 - 595	212.957	212.704	212.704	0.9	212.957
Sweden	(S) 11.2556	-0.0554	168 - 144	11.1859	11.1243	11.1217	0.1	11.0983
Switzerland	(Sw) 2.2199	-0.0108	267 - 310	2.2199	2.2124	2.2126	4.5	2.2067
UK	(T) 1.2140	-0.0034	134 - 146	1.2172	1.2113	1.2121	1.8	1.2076
SDR	-	1.152500						
Americas								
Argentina	(Pso) 1.8004	-0.0093	801 - 806	1.6988	1.6785	1.6785	-	-
Brazil	(Bz) 1.7326	-0.0028	322 - 330	1.7411	1.7308	1.7308	-	-
Canada	(Cdn) 2.2514	-0.0125	508 - 521	2.2582	2.2547	2.2542	2.7	2.2584
Mexico (New Pesos)	(Mx) 12.2820	-0.0075	373 - 370	12.3000	12.3000	12.3000	3.3	12.3000
USA	(Us) 1.5812	-0.0037	608 - 614	1.6017	1.6733	1.6802	0.7	1.6776
Pacific/Middle East/Africa								
Australia	(A\$) 2.0703	-0.0145	933 - 712	2.0564	2.0564	2.0516	-0.2	2.0572
Hong Kong	(Hk) 12.9867	-0.0673	569 - 614	13.0793	12.9814	12.9814	0.7	12.9775
India	(In) 60.0171	-0.1026	241 - 101	60.2647	59.9240	59.9240	-	-
Iraq	(Ir) 5.3952	-0.0075	525 - 528	5.4000	5.4000	5.4000	-	-
Jordan	(Jd) 18.8526	-1.128	916 - 916	18.8526	18.8526	18.8526	-	-
Malaysia	(Ms) 4.2240	0.0245	326 - 354	4.2262	4.2262	4.2262	-	-
New Zealand	(Ns) 2.2518	-0.0201	502 - 533	2.2564	2.2550	2.2550	-3.4	2.2570
Philippines	(Ps) 44.1722	-0.0233	900 - 544	44.3510	44.0813	44.0813	-	-
Saudi Arabia	(Sr) 5.6502	-0.0226	528 - 564	5.6384	5.6296	5.6296	-	-
Singapore	(S) 2.3541	-0.0135	523 - 523	2.3565	2.3524	2.3524	-	-
South Africa	(Rs) 7.7501	-0.0441	447 - 555	7.7845	7.7251	7.7251	-	-
South Korea	(W) 14.2016	-0.0075	180 - 180	14.2016	14.2016	14.2016	-	-
Taiwan	(Ts) 44.2215	-0.2293	911 - 721	44.4593	44.1000	44.1000	-	-
Thailand	(Ts) 42.2265	-0.2293	333 - 496	43.0008	42.7030	42.7030	-	-

1 rates for Nov 21. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling rates calculated by the Bank of England. Base average 1990 = 100. Index released 12/95. Bid/Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WIREWITTERS CLOSING SPOT RATES. Some values are rounded by the FT.

2 rates for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

3 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

4 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

5 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

6 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

7 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

8 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

9 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

10 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

11 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

12 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

13 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Nov 21: Base average 1990=100.

14 200m rate for S for Nov 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. All rates are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P.

UNIT TRUSTS

■ WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Jupiter Fry Sater Growth	1484
ST Orient Acc	1419
HSBC Hong Kong Growth	1359
HSBC Hong Kong Smaller	1359
Global Equities	1261
Barclays UK Smaller Companies	1207
SECTOR AVERAGE	1200
BOTTOM FIVE OVER 1 YEAR	1200
GT Korean Securities	-2700
Santé & Prosperity	-2500
Baring Japan	-2400
Schroder Saudi	-2300
GT Mutual Thailand Acc	-2200

HSBC Hong Kong Gtln

TOP FIVE OVER 3 YEARS

Hill Samuel US Smaller Cos	1305
Winton Fund	1222
Prolific Technology	1207
Perpetual American Smaller Cos	1207
Gartmore UK Smaller Cos	1203
GT Mutual Thailand Acc	1202
BOTTOM FIVE OVER 3 YEARS	1200
Santé & Prosperity	-2500
GT Korean Securities	-2500
Santé & Prosperity	-2500
Baring Japan	-2500
Schroder Saudi	-2500
Santé & Prosperity East Asia	-2500

Gartmore UK Smaller Cos

TOP FIVE OVER 5 YEARS

Prolific Technology	3349
Perpetual American Smaller Cos	3001
Barclays American Emmer Gtln	3000
HSBC Hong Kong Growth	3779
GT Orient Acc	3745
SECTOR AVERAGE	3200
BOTTOM FIVE OVER 5 YEARS	3200
Friend Prov Japanese Sm Cos	-225
Santé & Prosperity	-200

Gartmore UK Smaller Cos

TOP FIVE OVER 10 YEARS

Hill Samuel US Smaller Cos	6399
Gartmore American Emmer Gtln	5390
HSBC Hong Kong Growth	5748
Gartmore Hong Kong	5345
Prolific Technology	5397
SECTOR AVERAGE	4000
BOTTOM FIVE OVER 10 YEARS	3000
Baring Uni Japan Inc	-631
Mercury Japan	-558
M&G Japan & General Acc	-518
Waverley Australian Gold	-1223
CU PFT Japan Growth	-1032

Source: HSW (01625 511311)

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Indices



■ UK Eq & Bd

	1 year	3	5	10	Volatility Yrs
BWD Balanced Portfolio	1111	1484	2081	-3.8	1.4
NPI UK Extra Income Inc	1001	1355	2104	-5.0	0.6
Credit Suisse High Income Port	1049	1334	2102	-3.2	4.2
Perpetual High Income	1042	1320	2170	-2.9	3.8
Centile Income Dis	1077	1222	1685	2475	2.8
SECTOR AVERAGE	1047	1234	1802	2628	3.1

■ Nth America

	1 year	3	5	10	Volatility Yrs
Hill Samuel US Smaller Cos	1236	1985	3283	6399	5.5
PM North America Growth	1065	1822	3272	4208	4.6
Edinburgh N American	1223	1722	2560	2663	5.2
Friends Prov American Sm Cos	1193	1682	3208	3548	5.1
Gartmore American Growth	1028	1667	3141	3901	6.7
SECTOR AVERAGE	1082	1341	2257	2679	3.7

■ Europe

	1 year	3	5	10	Volatility Yrs
Jupiter European	1360	1922	2826	-3.5	0.8
Barings Europe Select	1249	1851	2343	2652	5.8
INVESTOP European Small Cos	1265	1719	2584	2506	5.5
Gartmore European Sel Ops	1113	1683	2479	2688	5.1
INVESTOP European Growth	1221	1692	2703	2556	3.9
SECTOR AVERAGE	1084	1347	1952	2325	3.2

■ Investment Trust Units

	1 year	3	5	10	Volatility Yrs
Culter Investment Trust Inc	1132	1324	2182	-3.7	0.8
Equitable Trust of Invest Tsts	1078	1238	2087	3460	3.6
Estate Fund of Investment Tsts	1034	1223	2033	-4.2	0.5
Culter High Inv Inv Tst Acc	1078	1214	-	-	3.3
M&G Fund of Investment Trusts	1061	1208	1938	3195	3.9
SECTOR AVERAGE	1032	1157	1840	2708	3.6

■ Best Peps

	1 year	3	5	10	Volatility Yrs
Jupiter European	1360	1922	2826	-3.5	0.8
Stamford UK Smaller Companies	1041	1673	2062	-3.8	0.1
INVESTOP European Small Cos	1265	1719	2584	2506	5.1
Gartmore European Sm Cos	1193	1683	2479	2688	5.1
INVESTOP European Growth	1221	1692	2703	2556	3.9
SECTOR AVERAGE	1084	1347	1952	2325	3.2

■ Money Mkt

	1 year	3	5	10	Volatility Yrs
M&G Treasury	1050	1139	-	-	0.1
Newton Cash Acc	1045	1138	1274	-	0.2
Midland Money Market	1044	1137	1262	-	0.2
CU Deposit	1045	1133	1266	-	0.2
Fidelity Cash	1048	1131	1266	-	0.2
SECTOR AVERAGE	1038	1123	1252	-	0.2

■ Investment Trust Units

	1 year	3	5	10	Volatility Yrs
Culter Investment Trust Inc	1132	1324	2182	-3.7	0.8
Equitable Trust of Invest Tsts	1078	1238	2087	3460	3.6
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M&G Fund of Investment Trusts	1061	1208	1938	3195	3.9
SECTOR AVERAGE	1032	1157	1840	2708	3.6

■ Fund of Funds

	1 year	3	5	10	

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Old Mutual International (Guernsey) Ltd	Seller Price	Buyer Price	+/-	Yield	Seller Price	Buyer Price	+/-	Yield	Seller Price	Buyer Price	+/-	Yield	Seller Price	Buyer Price	+/-	Yield			
PG Inv Co 121, St Peter Port Guernsey	£1,461.20	£1,461.20	-	-	AXA Asset Management	£1,484.50	£1,484.50	-	-	Clarion Bank	£1,495.00	£1,495.00	-	-	GRC Asset Management	£1,495.00	£1,495.00	-	-
St Regis Managed	£1,484.50	£1,484.50	-	-	AXA Ventures	£1,495.50	£1,495.50	-	-	Emerson USA	£1,496.11	£1,496.11	-	-	Hall Capital Corp	£1,496.57	£1,496.57	-	-
Stamford Standard	£1,492.50	£1,492.50	-	-	AXA Europe Assets	£1,497.10	£1,497.10	-	-	Equity Investors	£1,496.80	£1,496.80	-	-	LHS Asia Special Fund Inc	£1,510.40	£1,510.40	-	-
Staverton Standard	£1,493.00	£1,493.00	-	-	AXA Fund Investors	£1,497.20	£1,497.20	-	-	Alpha Fund	£1,496.90	£1,496.90	-	-	Optima Fund Management	£1,511.72	£1,511.72	-	-
St Mt Fund Investors	£1,493.50	£1,493.50	-	-	Axa Fund Investors	£1,497.30	£1,497.30	-	-	Alpha Fund Investors	£1,497.00	£1,497.00	-	-	Orchard Fund Limited	£1,512.35	£1,512.35	-	-
St Mt Fund Investors	£1,494.00	£1,494.00	-	-	Axa Fund Investors	£1,497.40	£1,497.40	-	-	Alpha Fund Investors	£1,497.10	£1,497.10	-	-	Oxford Fund Mgt	£1,512.50	£1,512.50	-	-
St Mt Fund Investors	£1,494.50	£1,494.50	-	-	Axa Fund Investors	£1,497.50	£1,497.50	-	-	Alpha Fund Investors	£1,497.20	£1,497.20	-	-	Oxford Fund Mgt	£1,512.67	£1,512.67	-	-
St Mt Fund Investors	£1,495.00	£1,495.00	-	-	Axa Fund Investors	£1,497.60	£1,497.60	-	-	Alpha Fund Investors	£1,497.30	£1,497.30	-	-	Pearl Fund Mgt	£1,512.75	£1,512.75	-	-
St Mt Fund Investors	£1,495.50	£1,495.50	-	-	Axa Fund Investors	£1,497.70	£1,497.70	-	-	Alpha Fund Investors	£1,497.40	£1,497.40	-	-	Pearl Fund Mgt	£1,512.83	£1,512.83	-	-
St Mt Fund Investors	£1,496.00	£1,496.00	-	-	Axa Fund Investors	£1,497.80	£1,497.80	-	-	Alpha Fund Investors	£1,497.50	£1,497.50	-	-	Pearl Fund Mgt	£1,512.91	£1,512.91	-	-
St Mt Fund Investors	£1,496.50	£1,496.50	-	-	Axa Fund Investors	£1,497.90	£1,497.90	-	-	Alpha Fund Investors	£1,497.60	£1,497.60	-	-	Pearl Fund Mgt	£1,513.00	£1,513.00	-	-
St Mt Fund Investors	£1,497.00	£1,497.00	-	-	Axa Fund Investors	£1,498.00	£1,498.00	-	-	Alpha Fund Investors	£1,497.70	£1,497.70	-	-	Pearl Fund Mgt	£1,513.08	£1,513.08	-	-
St Mt Fund Investors	£1,497.50	£1,497.50	-	-	Axa Fund Investors	£1,498.10	£1,498.10	-	-	Alpha Fund Investors	£1,497.80	£1,497.80	-	-	Pearl Fund Mgt	£1,513.16	£1,513.16	-	-
St Mt Fund Investors	£1,498.00	£1,498.00	-	-	Axa Fund Investors	£1,498.20	£1,498.20	-	-	Alpha Fund Investors	£1,497.90	£1,497.90	-	-	Pearl Fund Mgt	£1,513.24	£1,513.24	-	-
St Mt Fund Investors	£1,498.50	£1,498.50	-	-	Axa Fund Investors	£1,498.30	£1,498.30	-	-	Alpha Fund Investors	£1,498.00	£1,498.00	-	-	Pearl Fund Mgt	£1,513.32	£1,513.32	-	-
St Mt Fund Investors	£1,499.00	£1,499.00	-	-	Axa Fund Investors	£1,498.40	£1,498.40	-	-	Alpha Fund Investors	£1,498.10	£1,498.10	-	-	Pearl Fund Mgt	£1,513.40	£1,513.40	-	-
St Mt Fund Investors	£1,499.50	£1,499.50	-	-	Axa Fund Investors	£1,498.50	£1,498.50	-	-	Alpha Fund Investors	£1,498.20	£1,498.20	-	-	Pearl Fund Mgt	£1,513.48	£1,513.48	-	-
St Mt Fund Investors	£1,500.00	£1,500.00	-	-	Axa Fund Investors	£1,498.60	£1,498.60	-	-	Alpha Fund Investors	£1,498.30	£1,498.30	-	-	Pearl Fund Mgt	£1,513.56	£1,513.56	-	-
St Mt Fund Investors	£1,500.50	£1,500.50	-	-	Axa Fund Investors	£1,498.70	£1,498.70	-	-	Alpha Fund Investors	£1,498.40	£1,498.40	-	-	Pearl Fund Mgt	£1,513.64	£1,513.64	-	-
St Mt Fund Investors	£1,501.00	£1,501.00	-	-	Axa Fund Investors	£1,498.80	£1,498.80	-	-	Alpha Fund Investors	£1,498.50	£1,498.50	-	-	Pearl Fund Mgt	£1,513.72	£1,513.72	-	-
St Mt Fund Investors	£1,501.50	£1,501.50	-	-	Axa Fund Investors	£1,498.90	£1,498.90	-	-	Alpha Fund Investors	£1,498.60	£1,498.60	-	-	Pearl Fund Mgt	£1,513.80	£1,513.80	-	-
St Mt Fund Investors	£1,502.00	£1,502.00	-	-	Axa Fund Investors	£1,499.00	£1,499.00	-	-	Alpha Fund Investors	£1,498.70	£1,498.70	-	-	Pearl Fund Mgt	£1,513.88	£1,513.88	-	-
St Mt Fund Investors	£1,502.50	£1,502.50	-	-	Axa Fund Investors	£1,499.10	£1,499.10	-	-	Alpha Fund Investors	£1,498.80	£1,498.80	-	-	Pearl Fund Mgt	£1,513.96	£1,513.96	-	-
St Mt Fund Investors	£1,503.00	£1,503.00	-	-	Axa Fund Investors	£1,499.20	£1,499.20	-	-	Alpha Fund Investors	£1,498.90	£1,498.90	-	-	Pearl Fund Mgt	£1,514.04	£1,514.04	-	-
St Mt Fund Investors	£1,503.50	£1,503.50	-	-	Axa Fund Investors	£1,499.30	£1,499.30	-	-	Alpha Fund Investors	£1,499.00	£1,499.00	-	-	Pearl Fund Mgt	£1,514.12	£1,514.12	-	-
St Mt Fund Investors	£1,504.00	£1,504.00	-	-	Axa Fund Investors	£1,499.40	£1,499.40	-	-	Alpha Fund Investors	£1,499.10	£1,499.10	-	-	Pearl Fund Mgt	£1,514.20	£1,514.20	-	-
St Mt Fund Investors	£1,504.50	£1,504.50	-	-	Axa Fund Investors	£1,499.50	£1,499.50	-	-	Alpha Fund Investors	£1,499.20	£1,499.20	-	-	Pearl Fund Mgt	£1,514.28	£1,514.28	-	-
St Mt Fund Investors	£1,505.00	£1,505.00	-	-	Axa Fund Investors	£1,499.60	£1,499.60	-	-	Alpha Fund Investors	£1,499.30	£1,499.30	-	-	Pearl Fund Mgt	£1,514.36	£1,514.36	-	-
St Mt Fund Investors	£1,505.50	£1,505.50	-	-	Axa Fund Investors	£1,499.70	£1,499.70	-	-	Alpha Fund Investors	£1,499.40	£1,499.40	-	-	Pearl Fund Mgt	£1,514.44	£1,514.44	-	-
St Mt Fund Investors	£1,506.00	£1,506.00	-	-	Axa Fund Investors	£1,499.80	£1,499.80	-	-	Alpha Fund Investors	£1,499.50	£1,499.50	-	-	Pearl Fund Mgt	£1,514.52	£1,514.52	-	-
St Mt Fund Investors	£1,506.50	£1,506.50	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.60	£1,499.60	-	-	Pearl Fund Mgt	£1,514.60	£1,514.60	-	-
St Mt Fund Investors	£1,507.00	£1,507.00	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.70	£1,499.70	-	-	Pearl Fund Mgt	£1,514.68	£1,514.68	-	-
St Mt Fund Investors	£1,507.50	£1,507.50	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.80	£1,499.80	-	-	Pearl Fund Mgt	£1,514.76	£1,514.76	-	-
St Mt Fund Investors	£1,508.00	£1,508.00	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.90	£1,499.90	-	-	Pearl Fund Mgt	£1,514.84	£1,514.84	-	-
St Mt Fund Investors	£1,508.50	£1,508.50	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.90	£1,499.90	-	-	Pearl Fund Mgt	£1,514.92	£1,514.92	-	-
St Mt Fund Investors	£1,509.00	£1,509.00	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.90	£1,499.90	-	-	Pearl Fund Mgt	£1,514.98	£1,514.98	-	-
St Mt Fund Investors	£1,509.50	£1,509.50	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.90	£1,499.90	-	-	Pearl Fund Mgt	£1,515.06	£1,515.06	-	-
St Mt Fund Investors	£1,510.00	£1,510.00	-	-	Axa Fund Investors	£1,499.90	£1,499.90	-	-	Alpha Fund Investors	£1,499.90	£1,499.90	-	-	Pearl Fund Mgt	£1,515			

OTHER OFFSHORE FUNDS

WORLD STOCK MARKETS

Techs rise on chip market hopes

AMERICAS

Strength in technology shares powered US equities at midsession, putting major indices back on course for new records, writes Lisa Brunsten in New York.

At 12:30 pm, the Dow Jones Industrial Average was 29.07 stronger at 6,447.54 and the Standard & Poor's 500 had risen 2.93 to 746.63. The American Stock Exchange composite rose 2.07 at 588.83. NYSE volume was heavy at 274m shares.

The Nasdaq composite, which is weighted toward the technology sector, was 14.08 stronger at 1,272.16 and the Pacific Stock Exchange technology index rose by 2.3

per cent. The gains came in spite of modest declines in Treasury prices.

Semiconductor companies were stronger amid renewed optimism that demand for computer chips was on the upswing. Several analysts upgraded their ratings on Applied Materials, the semiconductor equipment company that reported a 53 per cent drop in net income - in line with most expectations - after the market closed on Thursday. The shares soared \$6.40 or 20 per cent to \$88.40.

Other rising chip companies included Micron Technology, 32% stronger at \$33.40 and Texas Instruments, 32% higher at \$86.40. Elsewhere in the technology sector, Micro-

soft added \$2 at \$152.50, Cisco Systems climbed 53¢ at \$83.40 and Oracle was 51¢ stronger at \$45.75.

Enthusiasm for technology fuelled another rise by IBM, which has risen about 15 per cent since late last week. Shares in Big Blue were 83¢ stronger at \$157.74 to set another nine-year high as shares in the company moved closer to the all-time high near \$175 set in 1987.

Standard Federal Bank, which had risen nearly \$20 in the past two months on buyout rumours, slipped \$1.40 or 6.56% on news that ABN Amro, the Dutch banking giant, would acquire the Michigan bank for about \$50 a share. The shares rose to an

early high of 1,775 bolivars, compared with the offer price of 1,545.50 bolivars but by midsession the price had settled back to 1,731 bolivars.

The broad market was also firm with the IBC Index 51.55 higher by midsession at 6,216.81.

SAO PAULO extended Thursday's late buying spree but in volatile trade and with investors focusing mainly on blue chips. The Bovespa index was 48¢ higher by midsession at 68,744.

BARACAS featured the much heralded debut of CNTV, the telephone swap, which jumped to a sharp premium in early trade. The shares rose to an

Zurich marches on from peak to peak

William Hall on the effect of a weaker franc

The Swiss stock market is entering uncharted territory. Share prices are nudging record levels, a sharp jump in the prices of some high-tech issues has whetted investor appetites for initial public offerings, and, for the first time in several years, Swiss companies are starting to enjoy the benefits of a weaker Swiss franc.

The star of the Swiss market this week was SEZ, a small technology stock,

which made its debut on Wednesday, and whose shares were offered at SF19.60. Last night, the shares closed at SF17.80.

This performance almost matches that of Disetronic, another high-tech stock which came to the market at SF11.35 in June. Its shares are now trading at just below SF23.00.

Not all new issues have fared so well. Tag Heuer, the luxury watchmaker, was floated in September at SF24.50 and its shares are now trading at a substantial discount. Yesterday they fell SF1.25 to SF13.25. On balance, however, the renewed investor appetite for Swiss shares is good news for corporate Switzerland. But the turnaround in the fortunes of the Swiss franc is bad news for foreign investors who have benefited from the remorseless rise of the Swiss currency over the past decade.

Investors were also awaiting confirmation of a fall in November inflation when the last of a sample of 10 cities issued data after the market closed.

Written and edited by William Hall, Michael Morgan and Jeffrey Brown

However, the SNB's apparent willingness to allow the money supply to grow at more than four times its medium-term target of 1 per cent a year, in a bid to restart an economy which has been stalled for the last six years, has been picked up by the currency markets.

Mr Frederick Hasslauer at Bank Sal Oppenheim in Zurich estimates that the depreciation will have a positive impact on the sales of Swiss multinationals of between 2 and 4 per cent in 1996 and up

from textile machinery to locomotive manufacture.

Sulzer's shares have risen by 15 per cent this year and are now trading at close to 40 times 1996 earnings. The stock market is betting heavily that the company's recent actions will lead to a leap in 1997 profits. If it does not, Sulzer could start looking vulnerable again to the predators which have been sniffing round the company for years.

However, the positive impact on company earnings of a weaker Swiss franc has not been felt across the board. EMS-Chemie, a well-run chemical company, has fallen by 4 per cent this year and Fischer's shares are more than 10 per cent down. By contrast, Swissair, whose problems are much deeper than just the currency, has outperformed this year.

After its recent run, the Swiss market can no longer be regarded as cheap. Mr James Cornish, NatWest Markets' European strategist, reckons that it is trading on 15 times 1997 earnings. This is less than France and Germany but more than the Netherlands. Mr Cornish's view is that the Swiss market could rise by another 5 per cent. Sal Oppenheim is more bullish.

It believes that the SMI index, which covers the biggest stocks, could rise by 10 per cent over the next 12 months. Yesterday, the index closed 21.3 higher at 3,832.8, just shy of its all time high.

The biggest uncertainty, however, is the risk of the Swiss currency renewing its upward climb.

But foreign investors are not concerned about such mundane matters and if there is a hiccup in the march towards a single European currency, then the Swiss franc could re-emerge as a popular safe haven. For Switzerland, more than most stock markets, getting the currency right is just as important as picking the right stock.

Amsterdam joins all time high club

EUROPE

A good morning for the Dow helped a number of core European bourses to join their peripheral neighbours on the upgrade, AMSTERDAM hitting a record high after ABM Amro's \$1.9bn offer for Standard Federal Bancorp of the US.

The Dutch bank climbed F14.40 to F109.70 after the announcement, linked with ABM's sale of Meissner, analysts said that unofficial retail sales figures from the Swedish research institute, HUL had fuelled the gains.

Norwegian, Finnish and Spanish equities also repeated Thursday's all time

THE WEEK'S CHANGES % Change

	Oslo.....	+1.9
Stockholm.....	+1.7	
Helsinki.....	+1.5	
Amsterdam.....	+1.1	
Munich.....	+1.0	
Paris.....	+0.7	
Madrid.....	+1.1	
Zurich.....	-0.4	
Frankfurt.....	-1.1	

highs. Indeed, OSLO peaked for the eleventh consecutive session, 5.6 higher at \$95.28 in heavy trade worth more than Nkr1bn. Rising aluminium prices lifted Norak Hydro up Nkr6.50 at Nkr30.50 and Elken, Nkr4.50 higher at Nkr9.50.

HELPSINKI saw more strength in Nokia, which

FTSE Actuaries Share Indices

Nov 22 THE EUROPEAN SERIES

New changes Open 10.30 11.00 10 13.00 14.00 15.00 Close

FTSE Eurotrack 100 1824.65 1826.07 1826.78 1826.83 1826.23 1824.34 1825.10

FTSE Eurotrack 200 1872.78 1873.30 1873.72 1873.88 1873.25 1871.59 1873.92

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FTSE Eurotrack 500000

LONDON STOCK EXCHANGE -DEALINGS

Details of business done below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The data is now delivered by Eotel, part of Financial Times Information. Details relate to those securities not included in the FT Share Information Services.

The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

* Bargains at special prices. * Bargains done the previous day.

British Funds, etc

Treasury 8% Ln 2000 - £105m (20N68)
Conversion 9% Ln 2001 - £105m (20N68)
Escherer 12% Shs 99/2002 - £105m (10)
(19N68)
Conversion 10% Shs 2002 - £111m (19N68)
Escherer 12% Shs 99/2003 - £105m (10)
(20N68)
Conversion 9% Shs 2003 - £111m (19N68)
Treasury 13% Shs 2004/05 - £133m (13-15)
4
Arrivas 2% Shs 2002 - £114m (19N68)
Guaranteed Export Finance Corp PLC 9% Shs
Gulf Shs 2001 (Regd - 14.1 (20N68))
(1-20N68)

Corporation and County Stocks

Nottingham Corp Gas Anne (of 33.25) - 35
(19N68)

Foreign Stocks, Bonds etc-Coupons Payable in London

BAA PLC 5%v Cn Bds 2005 - 101.63 %
(19N68)
Carron & Gloucester PLC 1.75% Perp
Subt Bds 2001 (Regd - 129)
Hulme & Co 1.75% Perp Cn Bds 2006
(19N68) 1% (20N68)
National Westminster Bank Plc 1.75% Und
Subt Bds 2001 (Regd - 100) (19N68)
National Westminster Bank Plc 1.75% Und
Subt Bds 2002 (Regd - 114.4
(19N68)
Rover Fleming Intern Finance 9.6% Perp
Subt Bds 2001 (Regd - 122)
(19N68)
Sterling Issues by Overseas Borrowers

Europes Investment Bank 9% Ln Shs 2001
(Regd - 111.5 (20N68))

European Investment Bank 10% Ln Shs 2004
(Regd - 111.5 (20N68))

European Investment Bank 11% Ln Shs 2002
(Regd - 117.2 (20N68))

European Investment Bank 9% Ln Shs 2004
(Regd - 116.68 (19N68))

European Investment Bank 9% Ln Shs 2004
(Regd - 117.183 (19N68))

Inter-American Development Bank 9% Ln
Shs 2015 (Regd - 117.183 (19N68))

International Monetary Fnd & Dev 12.5% Ln
Shs 2003 - 121.05

Petroles Mexicanos 14% Ln Shs 2005 -
118 (19N68)

Portuguese Govt 9% Ln Shs 2016 (Regd -
108.94 (20N68)) 8% (20N68) 94
(20N68) 94 (20N68)

Torcanadas Pipelines 1d 18% 1st Mgt Pipe
Ln Shs 2007 - 154 179887 5.1925

(19N68)

**Listed Companies
(excluding Investment Trusts)**

Alday PLC 10% Non-Cum Shs Prf
Prf 100 - 101 (20N68) 89 (20N68)
Carron Group PLC 10% Cum Red Prf Et
Et 100 - 101 (20N68) 2 (20N68)
Adams Group PLC 7.75% (Net Subt) Cn Prf
Et 100 - 101 (20N68) 100 (20N68)
AGF Management Group PLC ADR 100 - 101
111 (19N68)

Broad Water PLC 8%v Cum Inst Prf Et
Et 100 - 101 (20N68)

Carron Group PLC 12.5% Non-Cum
Inst Prf Et 100 - 101 (20N68)

Carroll PLC New Ord 25p (Inv Pnd
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Brent International PLC 9% Cum Inst Prf Et
Et 100 - 101 (20N68)

Brent International PLC 1997-2007 ls
Soc for Ord - 1 (19N68)

Brent International PLC 8.5% Und Non-Cum
Inst Prf Et 100 - 101 (20N68)

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LONDON STOCK EXCHANGE

FTSE 100 drives through 4,000 on bid hint

MARKETS REPORT

By Steve Thompson,
UK Stock Market Editor

The UK stock market's stubborn reluctance to follow Wall Street's recent lead and its ability to ignore the strong gains in giltswas reversed in stunning fashion yesterday, as a sudden burst of institutional buying caught marketmakers on the hop.

The institutional cash flooding into the stock market yesterday gave a much-needed boost to turnover, which had dropped alarmingly over the past two weeks, as many of the big investors curtailed their activity. By

the 5pm count, volume had reached 846.9m shares. The value of customer business on Thursday and as gilts had opened in sluggish form.

Talk around the market suggested that a number of Scottish institutions, adopting the view that a prudent Budget is on the cards for Tuesday, had taken advantage of the market's sluggish performance to inject sizeable funds. And helping to fuel the rise in prices was increasing speculation that a big bid was about to be announced; the candidates included a host of names, among them British Gas, EMI, Railtrack, Legal & General as well as a number of utilities.

The buying came out of the blue and was even more surprising, given that it occurred in the wake of a fall on Wall Street on Thursday and as gilts had opened in sluggish form.

Wall Street resumed its upward path yesterday while gilts finished with gains of 7 ticks in the 10-year issue and 15 in the 20-year issue.

"There's no question whatsoever that all the marketmakers have taken it on the chin today. They were caught short of stock, hoisted their quotations to try to avoid the buyers and then had to bid prices up to get their books level again," said one dealer.

He said marketmakers wanted to go into Budget week with level

books, so as not to be wrong-footed by any surprise measures.

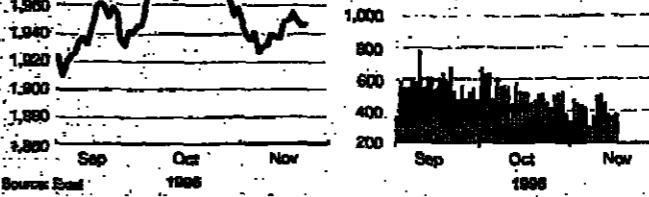
The momentum from yesterday's flurry of money pushed the FTSE 100 index, which had languished in the mid-3,900s for much of the week, back through 4,000. It lost that level on October 29, after peaking at 4,073.1 on October 21.

Footsie settled 54.9, or 1.6 per cent, higher at 3,994.0, its biggest gains since 1994. It is now up 1.6 per cent, higher at 3,994.0, its biggest points rise this year and equal to its biggest percentage increase.

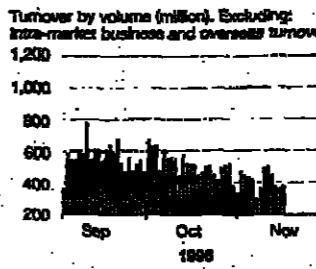
Second line and smaller stocks were left behind. The FTSE 250 posted a modest 1.43 gain at 4,113.3, leaving it marginally up on the week, while the SmallCap edged up 3.7 to 2,183.9.

Throughout much of the week, shares drifted as investors worried about the impact on exporters' earnings of sterling's persistent recent strength. Economic data which implied growing inflationary pressures and pointed to the need for further increases in UK interest rates, added to the upward momentum in the currency.

Railtrack capped an excellent week with a fresh rush which saw the shares trade at more than double their May flotation price of 190p. British Energy's advance since an ignominious debut in July, when the shares fell to a discount to their offer price, rose to 45 per cent.



Equity shares traded



FTSE 100 Index
Closing index for Nov 22 4018.7
Change over week +60.5
Nov 21 3953.8
Nov 20 3962.8
Nov 19 3978.1
Nov 18 3962.1
High 4018.7
Low 3947.3
Intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing Day's price change	Vol. 000s	Closing Day's price change
FTSE 100	4,018.7	+7.9%	Footsie	3,994.0 +1.6%
FTSE 250	4,113.3	+1.43%	FTSE 250	4,113.3 +0.3%
FTSE 250 ex IT	4,061.3	+0.5%	FTSE 250 ex IT	4,061.3 +0.5%
FTSE 350	1,997.1	+2.67%	FTSE 350	1,997.1 +2.67%
FTSE 350 Higher Yield	1,959.7	+1.74%	FTSE 350 Higher Yield	1,959.7 +1.74%
FTSE 350 Lower Yield	1,907.1	+1.4%	FTSE 350 Lower Yield	1,907.1 +1.4%
FTSE SmallCap	2,183.9	+3.7%	FTSE SmallCap	2,183.9 +3.7%
FTSE SmallCap ex IT	2,183.9	+3.7%	FTSE SmallCap ex IT	2,183.9 +3.7%
FTSE All-Share	3,994.0	+1.6%	FTSE All-Share	3,994.0 +1.6%

EQUITY FUTURES AND OPTIONS TRADING

FTSE 100 INDEX FUTURES (JIFFE) £25 per full index point (APM)							
Open	Sett. price	Change	High	Low	Ext. vol.	Open Int.	
Dec	3,977.0	+0.02	3,980.0	3,980.0	3,977.0	1,2075	55491
Mar	4,025.5	+0.52	4,030.0	4,025.5	4,025.5	4,005	
Jun	4,069.0	+0.62				1,785	

FTSE 250 INDEX FUTURES (JIFFE) £25 per full index point							
Open	Sett. price	Change	High	Low	Ext. vol.	Open Int.	
Dec	4,020.0	+0.30	4,023.0	4,020.0	4,020.0	4,020	4,020
Mar	4,065.0	+1.30	4,070.0	4,065.0	4,065.0	4,065	
Jun	4,109.0	+1.61	4,112.0	4,109.0	4,109.0	4,109	

FTSE 100 INDEX OPTION (FTSE) £10 per full index point							
Open	Sett. price	Change	High	Low	Ext. vol.	Open Int.	
Dec	3,977.0	+0.02	3,980.0	3,977.0	3,977.0	55491	
Mar	4,025.0	+1.30	4,030.0	4,025.0	4,025.0	4,025	
Jun	4,069.0	+1.61	4,070.0	4,069.0	4,069.0	4,069	

FTSE 100 INDEX OPTION (FTSE) £10 per full index point							
Open	Sett. price	Change	High	Low	Ext. vol.	Open Int.	
Dec	3,965.0	+0.02	3,968.0	3,965.0	3,965.0	3,965	
Mar	4,013.0	+1.30	4,018.0	4,013.0	4,013.0	4,013	
Jun	4,057.0	+1.61	4,060.0	4,057.0	4,057.0	4,057	

FTSE - LEADERS & LAGGARDS							
Percentage, changes since December 29 1995 based on Friday November 22, 1996							
FTSE 100							
FTSE 250							
FTSE 250 ex IT							
FTSE 350							
FTSE 350 Higher Yield							
FTSE 350 Lower Yield							
FTSE SmallCap							
FTSE SmallCap ex IT							
FTSE All-Share							

Based on closing values for a selection of major constituents. Data from the FTSE website on Friday November 22, 1996. All figures are rounded. Figures in bold are latest. Source: part of FTI Information.

Rating hope for Lismo

By Steve Thompson, Jeff Brown and Lisa Wood

The two oil exploration and production stocks in the FTSE 100, Lismo and Enterprise Oil, were the first and third best Footsie performers yesterday, as oil specialists picked up hints that an auction of Santa Fe, the North Sea oil exploration company owned by Kuwait Petroleum Corporation, had seen the company sold for in excess of \$1bn to Saga Petroleum, the Norwegian oil company.

That figure, some analysts argued, could imply a re-rating of the two UK oil groups. The sub-sector was additionally boosted by renewed strength in crude oil prices which have recovered after a recent bout of profit-taking.

Lismo shares jumped 12 to 220p, after unusually high turnover of 4.1m, while Enterprise raced up 30% to 579p with 5.9m shares changing hands.

The gains also produced keen support for the oil majors, where BP, a long-time American favourite, jumped 18 to 639p and Shell 17 to 598p. The latter has been in the limelight all week, as the market reacted to revived speculation that the group may have run its slide rule over British Gas. The latter enjoyed a week of exceptionally heavy trading and moved up sharply yesterday as the bid rumours returned, closing a net 9% ahead at 579p with 10.9m shares changing hands.

LONDON SHARE SERVICE



Singapore opposition leader faces \$18,000 fine for 'error'

By James Kyngan
in Singapore

The leader of Singapore's main opposition party faces a fine of \$225,000 (\$18,000) for what he claims was a simple typing mistake.

The city-state's parliamentary committee of privileges recommended the fine yesterday after finding Mr Chee Soon Juan, secretary general of the Singapore Democratic party, guilty of contempt of parliament.

Mr Chee's transgression was to claim in a document submitted to parliament in August that government spending on healthcare had fallen to 5 per cent of Singapore's gross domestic product in 1990, from about 40 per cent 20 years earlier.

He later admitted that the figure was wrong and that it should have read 25.4 per cent. Mr Chee told the privileges committee that bad typing was to blame for the error. "We are all human beings. We make mistakes," he said.

Mr Chee's explanation for the healthcare spending mistake was rejected because "the committee cannot believe that if the 5 per cent was a typographical error, it could have escaped his detection".

The committee ruled that Mr Chee and three party colleagues, who were fined between \$8,000 and \$18,000 each, had tried to mislead parliament.

The case has aroused much interest as Singapore prepares for national elections, which must take place before April.

The ruling People's Action party is expected to win the polls. The opposition, which has only four seats in the 81-member parliament, is considered too weak to field enough candidates to mount a real challenge.

However, it is less certain that the ruling party will win two-thirds of the popular vote – a level that many Singaporeans regard as an important benchmark of government support.

Observers believe that, if the party receives less than 60 per cent of the vote, it will not be seen to have the mandate to continue the current authoritarian style of governance.

Mr Chee, who mounted a by-election challenge to Mr Goh Chok Tong, prime minister, has gained notoriety as a

critic of the government's authoritarianism. He argues that, although obedience and control may have been key attributes in an earlier era of export-led manufacturing, Singapore will not prosper in the information age unless it develops a free press, learns to tolerate criticism and becomes more open to outside ideas.

He was sacked from his position as a lecturer at the National University of Singapore for allegedly using research funds to post a package abroad.

Then he was sued by university officials over comments he made about his dismissal. He lost and had to sell his house to pay damages and costs which amounted to about \$245,000.

Lira set to rejoin ERM after four years

Continued from Page 1

ERM by the end of November, once the 1997 budget had passed through the lower house. The budget was approved last weekend by the chamber of deputies and informal negotiations were immediately set in motion.

All the detailed work on entry is understood to have been completed and the move is only awaiting political approval. Italian officials have been arguing that a determined attempt is being made to put public finances in order to comply with the Maastricht criteria so Italy can be in the first wave of countries joining monetary union in 1999.

On the London currency markets, the lira strengthened to L995 against the D-Mark before falling to L1,000. It closed at L999.2, unchanged from the previous day.

Demand for Italian bonds and the resulting plunge in yields followed increased optimism that monetary union would go ahead. Regardless of when Italy joins monetary union, Italian bonds maturing after it joins will be redeemed in the planned single currency, the euro.

This year the lira has gained 8 per cent, but remains far from its parity of September 1992 when, along with sterling, it was forced out of the ERM with a heavy devaluation.

In recent weeks the Bank of Italy has been intervening to ensure the lira hovers around L1,000 to the D-Mark. This is believed to be close to the central band at which the Italian authorities will seek to negotiate re-entry.

Thyssen to pull out of core activities in restructuring

By Frederick Städemann
in Berlin

Thyssen, the sprawling German steel, engineering and trading company, has embarked on a large-scale restructuring programme that will see it withdraw from three of its traditional businesses – long steel products, defence equipment and coal and oil trading.

The group, which yesterday reported a 36 per cent fall in pre-tax profits to DM654m (\$436m) in the year to September 30, will still maintain a wide palette of core activities. These will include flat steel products, automotive parts, lifts, production systems and trade tools and equipment trading.

In addition, it regards its construction technology, real estate, industrial services, logistics and telecommunications divisions as potential core businesses, if their profitability can be improved.

The company, Germany's 11th biggest industrial group,

Steel group's move unveiled as profits show 36% decline

out to rival Mannesmann in securing a 49.9 per cent stake in DBKOM, the telecoms unit of the state rail company Deutsche Bundesbahn, continued to make losses. No figures were given but Thyssen said the losses were in line with internal forecasts for what is still considered a start-up operation.

The move to restructure was signalled by Mr Dieter Vogel, chairman, earlier this year when he said that all the group's activities would be carefully assessed for their profit potential. Mr Vogel is believed to have set a benchmark of a 12.5 per cent return on equity.

Earlier this year there was speculation that Thyssen might split itself up into three separate public companies following comments from Mr Heinz Kriwet, chairman of the supervisory board, that such a move might be an option in the future.

More recently, however, senior executives have played down such a possibility. Not only have pooled investments

Plan to open spares market

Continued from Page 1

monising the legal protection of industrial design.

Spares such as bumpers and windscreens have different degrees of design protection across the EU. This has prevented development of a single market in an industry worth an annual Ecu10bn (\$13.8bn), according to Ecar.

Car manufacturers, which control more than 80 per cent of the EU market for spares, argue that they invest large sums in design and need to recoup this through control

over the sale of repair parts. Independent manufacturers say carmakers use design law to stifle competition.

"The move will be seen as an open invitation to carmakers to use design litigation for the purpose of stifling competition and trade between member states," said Mr Hughes. "Such an outcome would be a major setback for spare parts industries which cannot survive within the national boundaries of those countries which eventually do decide to adopt liberal regimes."

Child labour

Continued from Page 1

criticised on other labour issues such as low wages for adult workers and poor working conditions. Mr Rubin said the move to tackle child labour would be the first step toward improving the rights of all workers in sports goods manufacturing.

"Once we have established a precedent on human rights, we can move on from there," he said.

The summit was attended by Unicef and charities such as Save the Children.

THE LEX COLUMN

Midwest mergers

ABN Amro's \$1.95bn offer for Standard Federal throws fresh light on the consolidation of the US banking industry. First, the pace is picking up again: this deal follows the merger of two North Carolina banks earlier this month and September's \$9.5bn takeover of Boatmen's Bancshares of St Louis by NationsBank. Second, it shows the focus shifting from the east and west coasts to the south and Midwest: the Dutch group's US presence is centred on Chicago, while Standard Federal is next door in Michigan, Ohio and Indiana.

ABN Amro is already the biggest foreign bank in the US. This takeover makes it one of the largest banks in the US – ranked by total assets it is now number six or seven. That may look a strange position for a European bank coming from a small home market. But ABN Amro made its first sizeable US acquisition in 1978 and has steadily reinforced its position with bolt-on deals. And its Midwest presence means it has never had to compete directly with the big money-centre banks like Citicorp or Chase Manhattan.

At first sight, the price looks high, at 2.1 times book value. But a mixture of cost savings and changes in goodwill accounting should boost Standard Federal's net income from \$120m last year to \$175m in 1998. On that basis, ABN Amro is paying just 11 times earnings for a bank already making a 15 per cent return on equity and with a loan book of high-quality mortgages. The 4 per cent jump in its shares yesterday looks more than justified.

Equity risk

What extra return do investors require for assuming the risk of holding shares rather than gilts? The standard academic answer, based on calculating the actual premium shareholders have received since the first world war, is 7.6 per cent a year. But this is almost certainly an overestimate. First, the premium previous generations of shareholders were expecting over gilts was probably lower than what they received – not least because the returns on gilts were eroded by unexpectedly high inflation. Second, today's investors are probably looking for a lower premium than their predecessors because they are better able to diversify their risks. Not only have pooled investments

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ABN Amro

Share price relative to the

AEX index

120

110

100

90

80

70

60

50

40

30

20

10

0

-10

-20

-30

-40

-50

-60

-70

-80

-90

-100

-110

-120

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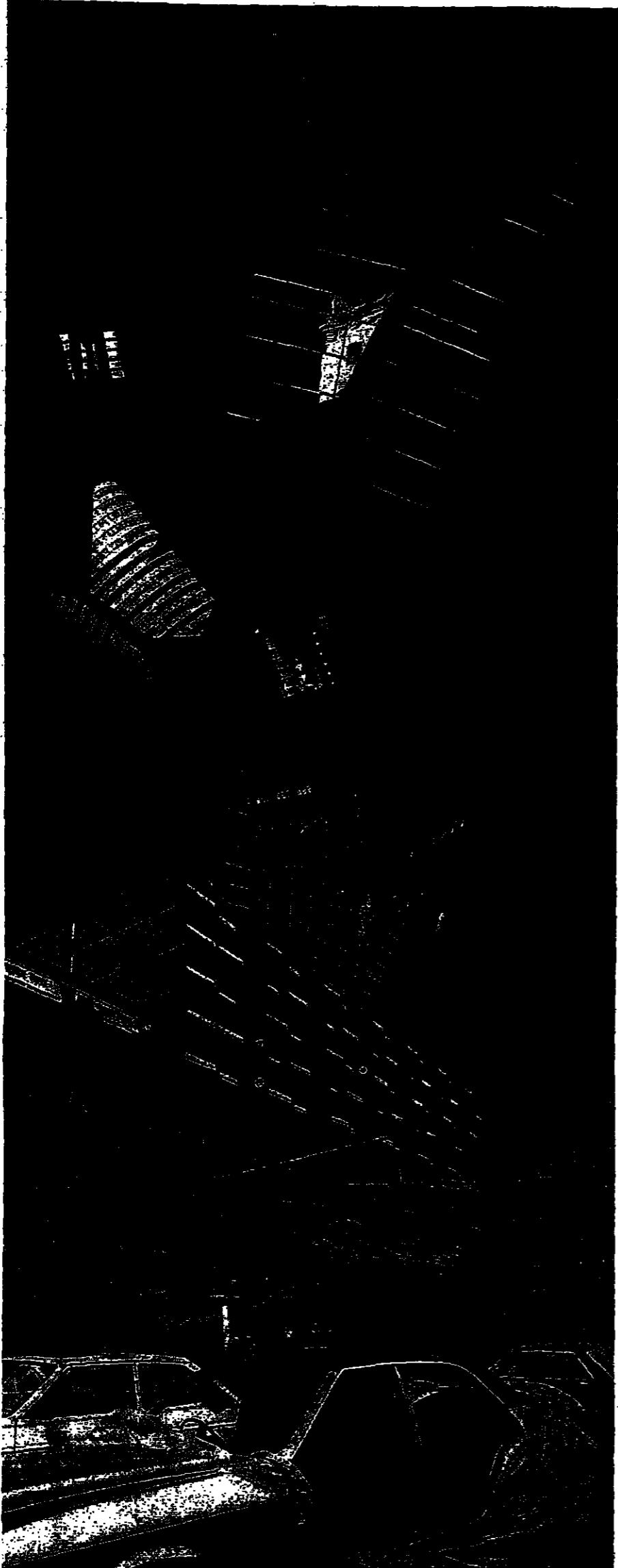
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Weekend FT



Fidelity

Joe Rogaly

Our puppets must lead

Direct voting need not be a substitute for responsible decision-making by politicians

Most politicians are Pinocchios, but some have longer noses than others. You know that, but think of the corollary. The wooden boy, star of a new film, represents more than a teller of fibs. He was made to be manipulated. If our elected representatives allow themselves to become puppets, we are in charge. We pull the strings.

Contemplate for a moment what that could mean. The world may be a generation away from direct democracy, with every voter's fingers on a mouse. "Do you want the secretary for agriculture held upside down in 'boiling oil'?" the screen will ask, and the nation, as one, will click "yes yes yes". I say this by way of illustration. I have no particular farmers' friend in mind. Well, just one.

The hard-copy version of the wired town hall meeting is the referendum. The results of its use are not usually as satisfactory as suggested in the electronic simulation above. Yet direct voting need not be a substitu-

tute for responsible decision-making by elected representatives. The Swiss govern themselves partly by plebiscite. Californians sometimes approve propositions that appeal to humanity's darker instincts. Italians vote to change their electoral system. Australians, the best runs, greet new proposals with a "yes" and vote them down anyway.

In Britain, referendums are viewed with suspicion. There is no written constitution setting the rules for popular consultations. Parliament decides everything – or, to put it another way, a cabinet that can command a majority in the House of Commons does what it pleases. Administrations go to the people, when their party is divided, or they are afraid of the consequences of taking a clear-cut position.

This does not mean there will be no referendums at all. The Conservatives will consult the local electorate about any settlement that may be agreed in Northern Ireland. Labour says it will call for popular votes on

The renaissance of inner-city life is happening all around us – a kind of urban warming by popular choice, says Colin Amery

The brighter lights of the big city

Cities are like mirrors. More than a reflection of fashion, they give a fair impression of the current phase of evolution. The compelling vision of the metropolis has inspired historians and observers, from the author of the Book of Revelations to the writer of pulp fiction, who have embraced the conflicting ideas of city as the apogee of civilised values or a violent mixture of Sodom and Gomorrah. It is apocalyptic or apocalyptic.

But something has happened. The balance is shifting decisively towards the brighter vision. From crime-ridden, grubby, uninhabitable space, the metropolis, the "mother city", is being seen as somehow welcoming. Suddenly, the suburbs are the relative losers. They are in-between regions, neither in nor out. Life thrives at the centre.

Generalisation is impossible and inevitable. Crime still puts parts of some cities, particularly in the Americas, off limits to all but the ridiculously naive. But the image of the city, the Manhattan model, mixed with London, Berlin and a bit more, has changed. The end of communism has also removed scales from eyes. Prague, Budapest, St Petersburg are re-emerging as bustling centres of huge cultural and commercial significance.

In Sodom itself, New York, the statistics look better. For the first time since 1963, the number of murders this year is likely to be fewer than 1,000, down from the 2,245 homicides in a crack cocaine-infested 1990. They are only figures, and well massaged they may be, but they reflect the perception of a somehow safer environment.

In London, Scotland Yard is sanguine, if that is the word, about murder, which has remained fairly static – never below 160 and never above 200. On "minor" crime, the London Metropolitan Police this week adopted the New York tactic of "zero tolerance" towards junkies, prostitutes, vandals and beggars in the hope of creating an environment less conducive to major crime.

These signs of a renewed

commitment to public safety in cities contrasts with the growing sense of unease felt in arcadia. Country Life – the UK journal of well-heeled rural folk and of dentists – last week revealed the "true extent" of countryside crime, which increased 70 per cent in the period from 1984 to 1994. City offences rose 30 per cent during the same period. The magazine told of collapsing communities, alienated youth, and drug abuse, once recognised as unmistakable characteristics of urban decay.

There is a recognition in London that the town should be retaken by the citizens, perhaps through the appointment of a powerful and elected mayor. There could be room for a figure like San Francisco's Willie Brown, its first black mayor, credited with single-handedly turning around the city's sense of itself after a year in office.

Brown treats his city as a giant village, dances in its clubs and sits in the council chambers celebrating a true urban greatness in the richness of its ethnic mix. He has given San Francisco, especially his fellow blacks, a sense that the ordinary citizen has a personal relationship with the mayor.

London is not as manageable as San Francisco, and it is hard to imagine an intimate relationship between average citizen and lofty lord mayor. But there is already a sense of renewal, even if the recent blitz of international publicity for Bond Street, the new street of dreams, misses the point. The social commentators cannot see the forest for the bright lights of the designer windows.

The resurgence of shopper sophisticates may be a fashionable phase of the economic cycle, and induce the tingling of the feelgood factor. And it is true that without economic growth, the revival of the city would lack a firm foundation. Wealth generation has meant that citizens and developers have a greater range of choices, and, in London, they are choosing the centre.

Hard evidence is to be found in the plans and blueprints of developers and architects in London and

other cities. The most intriguing trend is the replacement of industry and commerce in and near the city centres with residential accommodation. Lofts, warehouses and even office buildings and hospitals are being converted into homes. Not any old vacant building on the outskirts, but central warehouses and office buildings fallen on hard times and reincarnated as apartments.

And there are the grand architectural gestures, confident assertions of the city's health. Sir Norman Foster, the architect, has proposed a 72-storey millennium skyscraper on the old Baltic

ring permission was granted earlier this month. But to live in the city is a lifestyle choice, not merely an investment decision. It was Benjamin Disraeli who wrote that, "London is a nation, not a city". He was more right than he could ever have realised. Today London, and other large cities, are like empires full of all races, religions and refugees. The romance of empire is on your doorstep every morning. Resentment of new arrivals has turned into a celebration of cosmopolitanism and complexity.

The great triumph of London, largely unsung, is its transformation from imperial capital to world city.

Immigration has been one of the success stories of our time – British tolerance combined with a determination to protect a deep sense of privacy – has allowed an enrichment of urban life which is truly sophisticated.

Racism remains but the concept of ethnic equality is unchallengeable.

It was possible last year in London to attend the opening events of the largest Hindu temple outside India. To see fluttering pennants on elaborately carved marble towers, and celebrate with hundreds of Hindu pilgrims was exhilarating.

With a friend, I was given a guided tour of the gleaming shrines by two vociferous and elegant young men, skilled temple dancers and postgraduate students at the London School of Economics. I left the temple covered in the rose petals of a cosmopolitan centre.

It helps to have money in the city, but there is ample evidence that standards of urban life are improving for the majority. The high-rise dweller and the Sloane Ranger have the same access

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ATOL

PERSPECTIVES

How does a newly fertilised human egg, consisting of a single cell, develop into a baby with billions of cells, each playing a specialised role in organs as different as the brain and stomach, skin and bones?

Twenty years ago, the development of an embryo was a total mystery. The first glimmers of understanding appeared in the late 1970s, but it is only within the past five years that developmental biologists have begun to discover in detail how cells know where they should be growing and what they should be doing.

Hedgehogs turn out to play a key role in the process. Not real prickly creatures but a family of genes called *Sonic hedgehog*, *Indian hedgehog* and *Desert hedgehog*. (Geneticists have a habit of giving silly names to the genes they discover – and writing them in italics; the corresponding proteins have the same names in roman text.)

Altogether, hundreds of genes work in concert to determine the end of an embryonic foot. There is a concentration gradient, so that a big toe grows where there is a weak signal and small toes where it is strong. In the developing spinal chord, the dose of *Sonic hedgehog* determines whether cells turn into neurons or supporting structures.

The original *Hedgehog* was identified in 1980 in the fruit fly *Drosophila* – a favourite species for genetic research because it is easy to handle, it breeds quickly and its genes are arranged in four unusually large chromosomes that show up well under the microscope. The gene's name came from the fact that certain

mutations in it led to flies with a bristly, rounded appearance, somewhat reminiscent of a hedgehog.

Then, in 1993, scientists from the Imperial Cancer Research Fund in the UK and Harvard University in the US discovered that higher animals had three *hedgehogs* doing an equivalent job to the original gene in *Drosophila*. The discovery coincided with the craze for a computer game character called *Sonic Hedgehog*, whose name was given – for no reason other than what scientists politely call whimsy – to one of the new genes; the other two were named

The Nature of Things

New mission for Sonic and family

Hedgehog genes, key players in cell formation, may have medical applications, says Clive Cookson

after real hedgehog species.

Although researchers are just beginning to map out the three genes' activities, they already know that *Sonic hedgehog* plays a particularly important role in the brain and nervous system and in the growth of limbs. *Indian hedgehog* is responsible for the development of cartilage and bone. *Desert hedgehog* is active in the male reproductive system and generates sperm.

This autumn has been very fruitful for *hedgehog* researchers, with several important discoveries announced. Perhaps the most interesting is the finding by scientists at Johns Hopkins

medical applications, because they continue working after the embryo has developed. They influence the regenerative processes that keep our bodies working throughout our lives.

A biotech company, Ontogeny, was set up in 1994 in Cambridge, Massachusetts, to exploit discoveries in developmental biology. It holds the key hedgehog patents from ICRF and Harvard. Their commercial promise became clear this year when Ontogeny agreed to two separate collaborative deals (with Biogen and Boehringer Mannheim) worth a total of \$120m (£70m).

The idea is to use the hedgehog proteins to repopulate cells that are missing or out of balance. Research projects include repairing weak or broken bones, stimulating the growth of brain cells to treat degenerative diseases such as Parkinson's and Alzheimer's, and curing male infertility. But the work remains speculative.

Minding Your Own Business

Ups and downs of a secret service

Clive Fewins on an expert in the cloak and dagger world of selling companies

Between 1983 and 1988 Nigel Chapman sold himself out of a job three times. Eventually he realised that selling companies was his forte, and since 1988 he has been the owner and main director of Confidential Assignments Ltd, which he runs from a small office in Lowestoft, Suffolk.

In the past three years business has been so bad – fee income dropped last year from a £39,000 high of £135,000 to £29,000 – that in March 1995 he had to dispense with the services of his long-time secretary and administrator. She now assists him part-time.

However, things are on the up. In the first five months of this trading year, turnover was £50,000. Chapman usually expects to make a net profit of around 50 per cent.

The reason for the improvement is that Chapman has been concentrating on selling fewer, but bigger companies. A big sale earlier this year brought in a commission of £43,000. He now concentrates on companies with net assets of more than £500,000 and making profits of not less than £200,000.

He attributes the decline in his business to companies' poor profit levels during recession, which meant that owners chose to retain their enterprises rather than sell.

The other reason has been the large fall in interest rates since 1993. "Owners have found that if they were to sell, the income produced by the capital they invested would often be lower than the earning potential of the company," Chapman said. "In addition, the low rates have meant the cost of buying an annuity has risen dramatically."

The roller-coaster nature of Chapman's business reflects the ups and downs of his career. Now 49, he worked as a milk roundsman after he left secondary modern school in Southwold, Suffolk, aged 15. After four years Chapman left to become a commission-only salesman for Alpine Double Glazing. He progressed from door-to-door salesman to regional manager. He left in 1972 to set up his own Ipswich-based double glazing company.

Ten years later, when turnover had risen to £2m, he sold out for

just under £500,000 to a Leicester-based conglomerate, CIS Holdings. He became group commercial director, but within a few months advised his chairman to sell out to the Pilkington Group.

He left just before the Pilkington takeover to become an independent marketing consultant, but eight months later joined Knipping International, a privately owned German company making extruded PVC materials for the window and door industry.

Four years later Chapman advised the chairman of Knipping to sell out to a large Derby-based company. His fee for negotiating the sale was a year's salary, which he used to start Confidential Assignments.

Chapman considered Lowestoft, where he was living at the time, an ideal base. "Lowestoft was recently voted the most boring town in Britain. People tend to think nothing happens here," he said. "It is therefore a rather good place for the headquarters of a somewhat cloak and dagger operation."

"The key to my work is secrecy. From my experience of selling my own company, when I had 120 staff and managed to keep the sale secret until the very last moment, I know that owners of small companies are absolutely paranoid about secrecy if they are intending to sell out."

"This is usually because it can easily take up to nine months to find a buyer, and if staff and suppliers get to know a sale is likely it causes uncertainty and under-performance and can also reduce the value of the company."

In 1988, Chapman found his first customers by placing an advertisement in trade journals announcing his deal on behalf of Knipping.

"As a result I was approached by several blue chip companies saying they were interested in making acquisitions," he said. "They would write a specification and I would use business information databases to contact selected companies, saying that I had a client who might be interested in purchasing their business."

His letters went to great lengths – they still do – to disguise the client company. They might change the location of the busi-



Private and confidential: things are looking up for Nigel Chapman whose payouts are large but infrequent

ness, the turnover, the age of the owner, or even add some products that are not in the company range.

Nowadays Chapman prefers to be retained by owners of companies who wish to sell. He says he has more of an interest in achieving a good price for these people rather than buying at the lowest possible price for an acquisitive, large organisation.

"I often take a box number in the FT on behalf of client companies, as well as sending newsletters to people I think might be interested in buying," he said.

"Respondents receive a letter giving details of the company for

sale. Again, it will be written in such a way that neither prospective purchasers nor employees of the business for sale will be able to identify the company." Chapman has been involved in buying and selling 48 companies in this way over the past eight years.

His latest deal was this summer, when he negotiated the sale for £1.8m of a Lancashire-based distributor of bathroom equipment to a large builders' merchant.

He is at present working for a German client whom he has never met. He is confident that he will be able to sell the man's company for about DM9m (£3.60m).

"I enjoy the work because of the personal empathy I find I have with the owners of small companies," Chapman said. "I can often identify with their problems as I have been there myself."

"Life can be tricky because the payoffs are large but infrequent. It can be as long as two years between payments, which makes my accounts look extremely odd. However, if you handle your money carefully this really doesn't matter."

■ Confidential Assignments Ltd, Beech House, 158 Yarmouth Road, Lowestoft, Suffolk NR32 4AB. Tel: 01502 301060.

Continued from Page I

Brighter lights of the big city

to the silver counters of Pret-a-Manger, the cutting-edge coffee and sandwich chain in London. The coffee shop culture of Soho, the London and New York versions, is open.

A free day has its cultural highs and lows. In New York it is as easy to study classical Praxiteles as it is to buy crude pornography. But it is the highs that count and while you may not be able to go to Versailles from Manhattan you can study the art and furniture of France in the Wrightsman rooms of the Metropolitan Museum in a way that is just not possible in Paris.

It is certainly easier to look at Egyptian art in New York and London than it is in Cairo, and no bakhshish. And it is impossible to enjoy

painting with any regular seriousness unless you live in a great city. London has the most accessible and intelligent national gallery in the world – and it is free.

Looking at paintings in Malibu just is not the same – what is the point of riding in an electric car to see the Getty Museum on top of a mountain in Los Angeles? Art out of the context of cultivated and cosmopolitan surroundings loses much of its point.

High culture may be the cream in the urban coffee but it is the true flower of our urban civilisation. Look this weekend in London alone. It is so easy to take for granted that you can go on The Grand Tour at the Tate Gallery: stretch your imagination with the elongated sculptures of Giacometti at the Royal Academy. Great Rubens landscapes

hang on exhibition at the National Gallery.

Living in the centre is like residing in a great house with many and varied rooms. Within yards (or metres) of your bed is almost everything a civilised man or woman can need.

But as with any house, your city must be well serviced. And this is where London is lacking. True urbanists expect all services at all times – and the secret of the success of the 21st century city will undoubtedly be paramount for the pedestrian and efficient, non-polluting, democratic transport for all.

And what of the suburban dream? Is the idyll over? The suburbs remind me of Winston Churchill's view of the architect Alfred Bossom – "Bossom, Bossom, what kind of a name is that? Neither one thing or the other." It is

anything to happen, too secret to be safe, too spacious for any culture of confection.

It was hoped that the suburbs would become miniature towns with their own high street. But the out-of-town supermarkets and the ever-larger, edge-of-city malls for the car-borne have demolished that dream. Soon enough, tele-banking, tele-insurance, tele-everything will create a Potemkin high street, existing for the occasional corporate contact but not as the real centre of business. The sprawl is ready to contract, so let us contemplate the gradual demolition of the suburbs to create countryside again around the great cities.

The prospect is a glorious one, and perfectly possible because the 19th and 20th centuries have left us too many buildings in our cities.

tably grow in number. Already lofts and warehouses, and even old hospitals are making city-centre accommodation.

The Manhattan model shows how it can be done – with the constant recycling of building stock within the defined boundaries of that island. London's great mistake was to develop Docklands, especially Canary Wharf, outside the natural commercial centre, instead of the City itself. Docklands should have been the great lung of open space that the East End has always needed.

The same mistake is about to be repeated with a millennium extravaganza on the site of a defunct gas works in Greenwich.

The millennium should be celebrated with a great new residential development at Paternoster Square by St Paul's Cathedral, bringing life back to the city's heart

at a site targeted by the Prince of Wales, who said that property developers had done more damage than the Luftwaffe. Any exhibition should focus on the renewal of the city at its heart.

The renaissance of inner-city life is the future. It is happening all around us now – a kind of urban warming that is happening by popular choice. The recession seems to have given cities like London and New York the time to ponder their fate, and the recovery has provided the resources to clean themselves up and make us aware again of their beauty and convenience.

It is time for a new Cities Beautiful movement, running for the next thousand years. Well-run lives, but order need not rule out romance – in the city you can have both. They are the fabric of our souls and nurtured they will flourish. All the evidence is that the flight from the cities is over and that they are taking wing.

Then, too, its opponents took refuge behind the authority of the Bible and church tradition. But both those ramparts are notoriously impudent and open to a wide variety of interpretations.

In the Church, the homosexuality battle is being fought on the same grounds of Bible and tradition versus contemporary culture and humanist reason. But it too, carries a load of pathology and psychological explosives which muddy the waters. We need to remember that Hitler wanted to exterminate all homosexuals just as much as all Jews, and the mass of people agreed.

Moreover, the evidence is not clear. There is a wide spectrum of homosexual behaviour from lifelong stable partnerships (such as Harry and Bob), to a seedy promiscuity and paedophilia at the other, which is obviously pathological and

and boundaries and those who see the moral universe primarily as a network of quality relationships. We need both, for society must have boundaries, but my reading of the New Testament gives a clear priority to relationships over rules.

But even when that preliminary clearing of irrational prejudice and homophobia has been achieved, society is still left with decisions for which we have little conclusive evidence and no rules. We are still unclear about social, biological and genetic factors, nor what weight should be given them.

Is it psychologically a matter of indifference whether a child is brought up by two same sex "parents"? Is it socially and biologically a matter of indifference whether the community gives equal status, value and recognition to same sex partnerships? Can immature people be "pushed" into a homosexual orientation, and does it matter if they are? Is there something unwholesome about a sexual partnership between a middle-aged man and a youth barely out of his teens?

What we do know is that there is a huge amount of hidden human agony. We need the public debate. But where can it take place?

I applaud the courage of the Provost of Southwark in agreeing to welcome the Gay Christian Movement into the cathedral. What would it have signalled if he had refused?

But I also recognise the genuine anxieties as well as the irrational phobias of those who fear that the Church may have given substance to some aspects of the gay scene which are not only incompatible with the respect for the sanctity of relationships, which is at the heart of the Gospel, but are pathological and destructive.

On the whole the risk was worth taking.

Hugh Dickinson

PERSPECTIVES



The chimes at midday

Much money is needed before the millennium

*Ring out wild bells to the wild sky,
The flying clouds, the frosty light:
The year is dying in the night;
Ring out, wild bells, and let him die.*

Alfred, Lord Tennyson

Is there anything more English than a church bell, tolling mournfully across the countryside, or fighting against other bells in a rousing peal to celebrate a wedding or great national victory?

While other nations have embraced new technology and have electrically driven bells in their church steeples, or, worst crime of all, a recording of bells, the British, and in particular the English, cling tenaciously to the old traditions.

It is an English sound that dates back almost a millennium - Ashby by Parrett in Lincolnshire has a bell dating from the mid-12th century that still chimes weakly. The curfew that tolled for Gray's weary ploughman in one of the most famous poems in the language still marks the end of the day in some villages, and the jangle of bells that inspired Tennyson's thoughts on the New Year, and which wakes up a dead City each Sunday at St Paul's Cathedral, might have been heard by Shakespeare.

A full circle peal, in which the bell completes a 360 degree loop, is the English contribution to campanology, and was created in Cambridge in the early 17th century. The "methods" that quickly developed - Plain Bob, Grandison, Stedman - are still tolled today in churches around the land. The bell-ringer is acutely aware as he grasps his rope that not only is he re-echoing the sounds of the past but in many cases he is chiming the same bells.

Not surprisingly, bells will usher in the millennium. For at least 50,000 people, the day will definitely go with a swing. At noon on January 1 2000, they will be pealing away for dear life.

The Central Council of Church Bell Ringers has decided that all the churches in the land - or rather the 5,000 or so that still have their bells, and the teams to ring them - will strike out on Millennium Day, some for just 10 minutes; others attempting the full peal, three hours of non-stop bell

ringing, involving over 5,000 changes. It will be the perfect antidote to all those New Millennium Eve parties.

It is an ambitious project

for a start it means recruiting 10,000 more bell ringers - and replacing, or repairing, something like 1,000 bells, ropes, and bellfries. The Millennium Fund has promised £2.9m towards the bells,

Antony Thornicroft

Threats and promises

Scheherazade Daneshkhu returns to a childhood home, Iran, that has survived a revolution

Iran is the home of the Mad Mullah, where crowds of angry black-clad women shout and curse the Great Satan of America, and threatening, bearded men beat their heads in remorse or plot acts of terrorism. As an Iranian, albeit one who has spent most of my life outside the country, the television images and my perceptions are strangely disconnected.

Arriving at the airport, I walked past excited people holding flowers to welcome friends and relatives and stepped into the chaos of Tehran - the second visit within a year after a 15-year absence, but this time for three months in an attempt to get closer to the "real" Iran.

In some ways, crowded, polluted Tehran with the crazy drivers has hardly changed since the 1979 revolution but in others, it is unrecognisable. The city looks "Islamic" in the same superficial way that it tried to look European under the Shah. Women, mostly wearing practical black, cover their hair. Some obey the spirit of the law, while others have loosely tied scarves, allowing hair to escape in to public view, obeying only the law's letter.

The men look austere but the old Iranian sense of humour is firmly in place and it does not take long before a complete stranger cracks the latest joke, usually at the expense of the government. And while the clerical leaders introduced a relatively severe interpretation of Islam after the 1979 revolution which overthrew the Shah, they have been quick to condemn the Taliban and their fanatical policies in Afghanistan, where women have been denied the right to education or work, as a "disgrace".

Within Iran, few can be bothered to get excited about politics - 17 years of revolution, martyrdom, high inflation and limited fun have made Tehran's cynical and impudent for a better way of life. Before the revolution, Abbas, a taxi driver, ferried passengers to the Caspian Sea, Iran's seaside playground, four hours away through the mountains north of Tehran.

"I charged 900 rials and with that money I'd buy four tyres with change to spare," he says. "Now, I charge 6,000 rials but I'd have to do the journey six times to be able to buy just two tyres."

Workers on fixed salaries find it tough coping with

inflation. The average monthly wage of IR400,000 (£80) is barely enough to pay the rent on a small flat and government subsidies on essential goods such as tea, sugar and cooking oil are being lifted in line with recommendations by the International Monetary Fund. Most people survive by going into work in the morning and doing another job in the afternoon.

Lack of pay has led to a distinctly "jobsworth" attitude in most government offices. *Hamshehri*, the popular Tehran daily, found in a recent survey that office workers do only one hour's productive work a day. I could believe this after visiting a district office. The supervisor, sitting behind a desk with Iran's flag on it and opposite a blow-up of Ayatollah Khomeini's birth certificate, said I needed another document. As I asked him to explain, he had already buried his head in a copy of *Hamshehri*.

Another source of discontent is the arbitrary imposition of law. On weekend nights many of the main crossroads in Tehran are policed by revolutionary guards who randomly stop cars and interrogate, albeit politely, their passengers. The guards are on the lookout for drinkers or for couples who appear to be intimate but unmarried. The penalty could be a few hours trapped in a police station or a flogging.

The atmosphere in the streets is edgy - a nervousness induced by not being sure if you are inadvertently doing something wrong. It extends even to the home, the men look austere but the old Iranian sense of humour is firmly in place and it does not take long before a complete stranger cracks the latest joke, usually at the expense of the government. And while the clerical leaders introduced a relatively severe interpretation of Islam after the 1979 revolution which overthrew the Shah, they have been quick to condemn the Taliban and their fanatical policies in Afghanistan, where women have been denied the right to education or work, as a "disgrace".

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particularly at large parties or weddings, when loud music can attract the attention of the authorities, leading to harsh penalties if alcohol is found or women with uncovered hair are mingling with men who are not close relatives.

One night I was travelling with some elderly relatives when our car was stopped by boys, some in their early teens, with Kalashnikovs. "Where are you going at this time of night?" asked one youth of my grey-haired companions. After he waved us through, my relative was

For all the disillusion, Tehran is a dynamic city, full of entrepreneurs

funding. Instead of being in bed hours ago that kid is holding a gun and asking someone old enough to be his grandfather why he is out past midnight - what a crazy country we live in," he said.

Ali, 23, has grown a beard because it might help when dealing with officialdom since facial hair has become a symbol of sympathy with the government's religious leaders. To balance the image, he sometimes wears a pair of Versace sunglasses.

He has managed to get into Tehran University despite fierce competition and a quota system reserving up to a third of places for the families of soldiers, the atmosphere in the streets is edgy - a nervousness induced by not being sure if you are inadvertently doing something wrong. It extends even to the home, the men look austere but the old Iranian sense of humour is firmly in place and it does not take long before a complete stranger cracks the latest joke, usually at the expense of the government. And while the clerical leaders introduced a relatively severe interpretation of Islam after the 1979 revolution which overthrew the Shah, they have been quick to condemn the Taliban and their fanatical policies in Afghanistan, where women have been denied the right to education or work, as a "disgrace".

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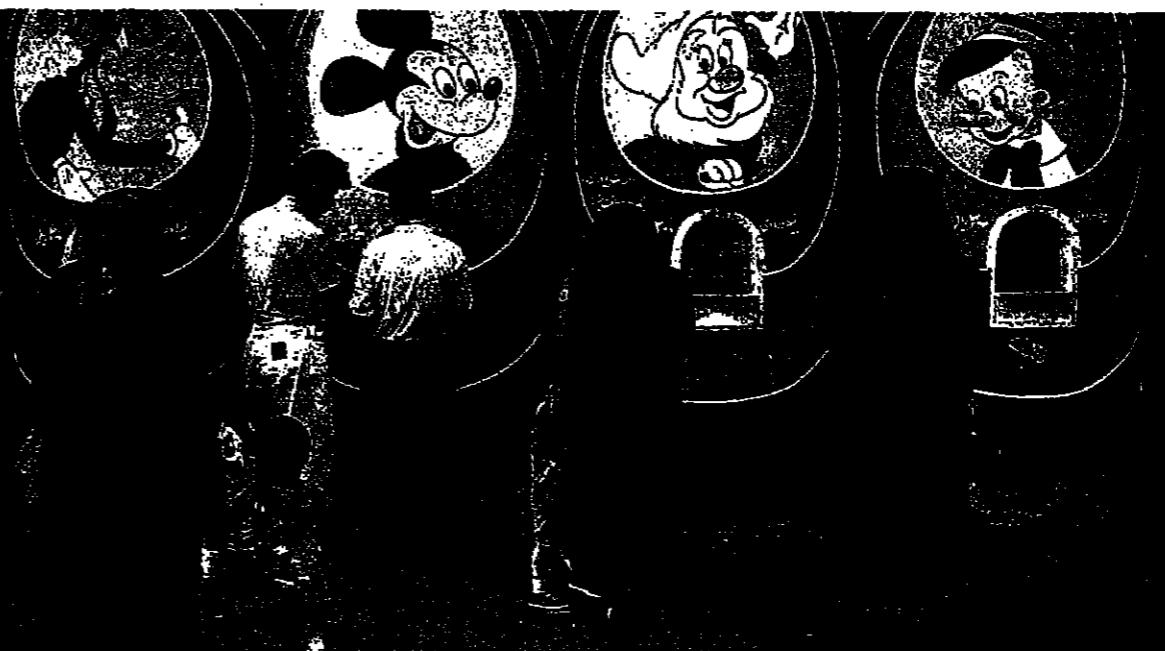
"martyrs", who died in the eight-year Iran-Iraq war. But Ali wants to live abroad. "The revolution happened 17 years ago yet we all still have to be revolutionary," he said. "Instead of solving the country's problems, the government spends most of its time checking up on what people are wearing."

It is just this sort of attitude that the government is anxious to prevent spreading. But officials are divided about the best way of carrying the revolution forward. Some, like Ayatollah Ali Khamenei, believe it can only be preserved through imposing the interpretation of Islam laid down by Ayatollah Khomeini. Others favour more professionals in government - those who have risen through education and training - to solve the country's economic problems instead of clergymen.

The latter view is widely shared among the public and is voiced even by humbler clerics. At a funeral at a small mosque, the clergyman initially spoke of the need for fewer slogans and more work to build up the country's industrial base. After a few blessings, his sermon broadened out to the virtues of education.

Much to the assembly's surprise he implored them not to donate money to mosques of which thousands have sprouted since the revolution. "If you want to be charitable, build schools instead of mosques," he said. "Our schools are overflowing but our mosques are empty." He went on to question why the country's industrial base was so weak. "All anyone does is chant 'Death to

Iran' left the country, I spent the five-hour flight to London trying to reconcile the conflicting images and concluded I was both an optimist and a pessimist - disappointed while being impressed. But, logic aside, there was one clear message as the aircraft climbed and left Tehran behind - the pangs of homesickness served as a reminder of how large a part of me lives in Iran.



Superficially Islamic, superficially western - the real Iran is somewhere in between

Magnum

Charred Lisbon feels a chill

Peter Wise observes a city's sense of almost inescapable misfortune

When the three witches croak "fire burn and cauldron bubble" in the Lisbon Players' production of *Macbeth*, a chill of misgiving is almost palpable in the Estrela Hall theatre, where the amateur company has been performing in English for more than 50 years.

Lisbon is in a mood receptive to tragedy after the partial destruction of its 19th century city hall this month. The fire is just the latest of a series that have laid waste to many of the Portuguese capital's most treasured and historic buildings.

One newspaper summed up the city's sense of almost inescapable misfortune in a headline - "A Curse over the City". Fittingly, a fund-raising event to help pay for the rebuilding of the city hall, expected to cost more than €25m (£27.5m), is to be a concert of *fado* music, passionate Portuguese traditional singing about forbearance in the face of harsh destiny.

"Statistics show there is a higher tendency in Portugal than in many other countries to attribute both public disasters and personal misfortunes to bad luck rather than to humanly preventable causes," says Manuel Vilalobos Cabral, a professor of sociology and former head of Portugal's national theatre. They were probably unaware they were repeating what an earlier generation had done when the previous city hall burned down on the same site in 1883.

Among the rescued documents were plans by the Marquis of Pombal to rebuild the city after the most violent earthquake in European history that destroyed most of Lisbon eight years after the heart of the 18th century Chiado district was destroyed by fire.

Following the fire in the Chiado, Lisbon's most prestigious shopping district, urgent calls were made for the regeneration of other historic neighbourhoods and buildings considered to be equally at risk. But, as one Lisbon newspaper wrote, the city hall fire showed that no

"real, decisive steps" have been taken.

Concern over how much of Lisbon's history has already been reduced to ashes prompted municipal workers and passers-by to rescue historic documents from the city hall's archives. They were probably unaware they were repeating what an earlier generation had done when the previous city hall burned down on the same site in 1883.

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Historians say the shock of the disaster in 1755 contributed to the end of the Age of Enlightenment and the belief of many thinkers in God and passers-by to rescue historic documents from the city hall's archives. They were probably unaware they were repeating what an earlier generation had done when the previous city hall burned down on the same site in 1883.

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HOW TO SPEND IT / FASHION



Isabella Norman, photographed by Vanessa von Zitzewitz for Cartier, wearing pieces from 'Honeymoon', one of the designs in Cartier's 'New Collection'. Completely reversible, with 18-carat yellow gold on one side, white gold on the other, two-stranded bracelets are £5,950, the two-stranded necklace £14,100, the rings are £2,150 and the earrings, £4,250.



Smooth pink and green tourmalines make up a two-row necklace, £2,900, from Kiki McDonough, 77c Walton Street, London SW1. (Tel: 0171-581 1777 for a catalogue)



Strands of precious and semi-precious stones at prices ranging from £200 to £300 from Maria Merola of 178 Walton Street, London SW1.

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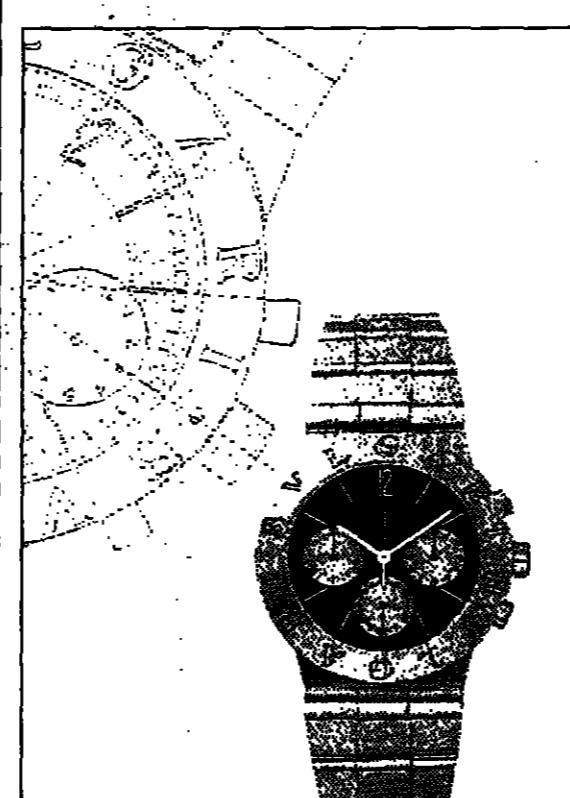
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HOW TO SPEND IT

Oranges are not the only business

Avril Groom reports on the wide interests of an Italian family

The Marchese and Marchesa di San Giuliano have wide business and cultural interests, spread between Florence and Sicily. Both come from traditional, but very different, large Italian families.

Giuseppe di San Giuliano, 53, has an orange-growing estate near Catania that has been in his family for 750 years. Flamma di San Giuliano Ferragamo, 55, is the eldest child of the legendary shoe designer Salvatore Ferragamo, who came from a relatively poor southern Italian family.

Now vice-president, she has worked full-time in her father's business from the age of 16. Last year the company increased turnover by 34 per cent to £276m; and is still wholly owned by the family.

Her polymath husband is a citrus farmer, garden designer, plantsman, historian and model railway buff, though his main business is exporting end-of-season designer clothes. He accepts he is often known as "Signor Ferragamo".

They have three grown-up children, none as yet involved in the family business.

MThe Marchese Giuseppe di San Giuliano: "I spend most of my time in Florence, where both our businesses are, but I go to Sicily about twice a month to oversee the orange-growing and the gardens, both managed by families who have worked for my family for many years. Our family can be traced back to the Norman invasion of Sicily in the 11th century."

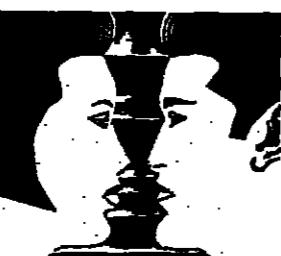
"My business is exporting left-over stock from well-known names. It's not glamorous but they need me because the money tied up in such stock is enormous. Business has grown as the world becomes more fashion-

conscious. I turn over my capital up to four times a year."

"Although clothes are my business I have no interest in fashion. I hate labels. It should be a matter of individuality. There are those who say I have good taste but I'm not so sure. I love English style and buy ties at Turnbull and Asser or wherever takes my fancy. I would like to go to Savile Row, if I were properly introduced."

"I first met Flamma at

Florence



'I have never minded playing second fiddle, though Flamma worries that I do'

Harry's Bar in Florence, 28 years ago. She was already an important young businesswoman, not the typical image of Italian womanhood in those days. I had broad views, having lived abroad a lot. I have never minded playing second fiddle, though she worries that I do. I was far more impressed to see how loved and appreciated she was by her family and friends.

"I dream of restoring a model trains. I had 180 square metres of lay-out but suddenly I'd had enough and now it is all packed away. Instead, my interest in classical music has grown, another thing I share with Flamma. We travel a lot to concerts to see friends such as Zubin Mehta or Georg Solti perform."

"I thank heaven that she shares my passion for our two houses. We started decorating them together but later she concentrated on the inside and I did the outside. I am still involved in the gardens in Sicily. With a garden architect I have constructed a small Arab garden - its style means it needs to be separate from the rest. Having lived in Brazil, I love sub-tropical plants and I am hoping to construct an island in a disused reservoir where the micro-climate will

"The Marchese Flamma di San Giuliano Ferragamo: "I am also involved in fund-raising for a charity that restores fortifications - the forerunner of the piano, invented in Florence by Bartolomeo Cristofori in the 17th century. Florence is a good place for charities because it is so international. Thirty American universities have interests here. There are lots of possibilities."

"We have seen great changes. My father's forte

"My father settled in Florence because of its artisan craftsmen and because everything in Tuscany, from the landscape to its people, inspired him. It's the same for me - I love my home. My father bought the Palazzo Ferri before the second world war for the company headquarters and I grew up in another old house."

"When we married we bought another smaller house, also called Ferri because it was built in the 14th century by the same family."

"It has a courtyard garden and is decorated with frescoes. People think it's hard to furnish a frescoed house but, apart from occasional cleaning and restoration, the frescoes are no problem. With architectural frescoes you can hang paintings too, otherwise you don't need many pictures. I like a house to be light and simple. I plan the rooms myself."

"I love going to English antique fairs. There is something very personal about English furniture, with secret drawers and so on. I also have French and Italian furniture, quite an eclectic mix that I hope is tasteful and homely. I like 18th century style and colours, with lots of books and objects around. But I don't have any Ferragamo cushions - the prints are too busy for the style of the house. I am not a collector, except for miniature decanters which I use as individual wine bottles when we entertain."

"I would be lying if I did not say work is the most important thing to me. I started at 16 and a year later my father died. I was in charge - my mother, who later joined the business and is still its president, was at home with the youngest children and I used to take the others to school on my way to work."

"We have seen great changes. My father's forte



The Marchese and Marchesa di San Giuliano in Sicily; he is often known as 'Signor Ferragamo', in honour of her family's famous shoes

was handwork but to expand we had to move into high-tech, high-quality industrial production. There are six of us to share the responsibilities but I look after shoes and leather goods which account for over 75 per cent of our sales."

"I am very busy travelling a lot, but I keep trips as short as possible and try to get home for weekends or I would never see the family. When my children were

young I felt guilty. Now they have left home it's difficult to arrange to be together."

"Of course I wear Ferragamo shoes all the time and the clothes a lot. I like other quite classic designers such as Armani and St Laurent but the clothes must complement the shoes. For casual wear I am not fussy about labels, but our designer Steven Szwarc, who is now becoming known for his own collection too, does wonder-

ful holiday wear, especially knits. We now own Emanuel Ungaro's company - he is a very special person who, like us, totally owned his business before, and I love his clothes."

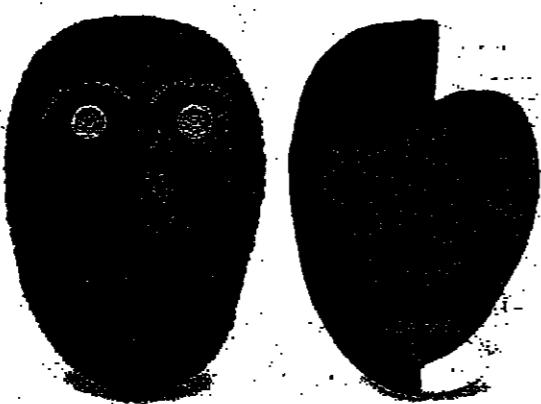
"Holidays are important but work comes first. Sometimes we snatch a long weekend with friends on the Tuscan coast. In August, we shut down and go to my husband's family house in Sicily. It's marvellous - up in the hills."

"I also used to love skiing but now I'd rather go to a music festival. At the end of August we went to one in Salzburg then home by way of another in Lucerne. I like to support musical charities here in Florence."

"My children are all in other businesses. Naturally, they cannot all join Ferragamo. It is a delicate question that we must leave to the future."

Behind the mask

Lucia van der Post reports on a charity-raising exhibition



the most talented and busy people in the land to paint their own version of a mask. From the bold, bright colours used by the artist Peter Blake, to the dazzling black and white intricacy of designers Timmy/Fowler and the glamorous netted version of Dame Kiri Te Kanawa, the result is a dazzling array of different images.

Actors and writers, professors, and singers, artists and interior designers, fashion designers and violinists, the contributions have come from some of the most talented people in the land.

The main point of the enterprise is to raise money for The Prince's Trust and there are a number of ways this can be done. The simplest and cheapest is to buy a copy of the Masks Catalogue for £5.95.

The book is sold through branches of WH Smith and £5 from each sale will go to The Prince's Trust, which helps young people get started in careers by providing financial aid and training programmes. The catalogue is colourful, beautiful and intriguing and raises all sorts of questions about the role of masks, both literal and metaphorical, in our lives.

The masks themselves will be auctioned for the trust; many are not only beautiful and intriguing (others are bizarre, eccentric, alarming and downright peculiar) but, signed by their creators, may well become collectors' items.

Those who think they can get to the auction at the Royal Festival Hall on November 28 in person (it promises to be a glittering affair) should apply to The Prince's Trust (tel: 0171-543 1234) for tickets. Those who cannot get there can buy a copy of the catalogue and use the form in the Silent Bid section to bid. These bids can be submitted until December 8 and the results will be announced on December 13.

The masks can be collected well before Christmas - so besides helping the work of The Prince's Trust it could make somebody, somewhere very happy on Christmas morning.

In the meantime, the exhibition at the Royal Festival Hall is open every day from 10am to 10pm. Entrance is free.



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The Financial Times plans to publish a Survey on

Valencia

on Tuesday, December 10

This survey will be the first ever on this important industrial region of Spain, giving comprehensive editorial coverage on the region's main industries of agriculture, tourism, auto components, ceramics and footwear. It will focus on the role of Valencia as a key Mediterranean trading hub and investment location, and will examine the growth of Valencia as a finance centre, local savings banks, the Valencia stock exchange and the citrus futures market.

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HOW TO SPEND IT

The Seven Ages of Man

Many splendid things for your lover

Lucia van der Post discovers a variety of seductive gifts

Shakespeare's third age

*And then the lover,
Sighing like furnace, with a woeful ballad
Made to his mistress' eyebrow.*

After last week's "whining school boy", we come this week to the third of Shakespeare's seven ages of man - the lover.

Ah, the lover, a happy phase in the life of the male. Not yet weighed down by mortgages and families - what Zorba the Greek called "the whole disaster". He is usually easily pleased. His wants and needs are still many. His wardrobe and home will have many gaps. But resist the temptation to give him easy socks and ties. If it is to be socks, they should be a treat. Choose the finest cashmere (£35 a pair from N. Peal, tel: 0171-493 9220) or softest silk or else some of Hackett's brilliantly coloured cotton ones at £10.90 a pair. (Tel: 0171-730 3331 for more information.)

Ties, too, should come with overtones of luxury or originality - something from a small, cult shop (say, Connally in Grosvenor Crescent Mews) or one they cannot broach themselves (Donna Karan has some wonderful shirts and ties - at a price - while Comme des Garçons or Issey Miyake's would go down well if his tastes are avant-garde).

Those who are feeling flush, or exceptionally devoted, could contemplate a suit. Steer him away from anything too traditional, and take your line from film director Peter Greenaway, who has put Ewan McGregor, the romantic lead in his new film *Pillow Book*, in Paul Smith. Suits start at £595 and are available from 40-44 Floral St, London WC2 (tel: 0171-375 7133).

Encourage him to be adventurous at party-time - buy him a brocade waistcoat, a velvet smoking jacket or an enigmatic Nehru Jacket from Favourbrook, 55 Jermyn Street, London SW1 (tel: 0171-491 2337), which opens on Monday. Jackets are about £250 each, waistcoats from £120 but a silk cravat at about £20 would do wonders for his wardrobe. If he wears double-cuffs they have a range of cuff-links starting at about £30 a pair.

Tickets to one of the surprise successes of the stage this autumn would be a special treat. The all-male version of *Snow White* is unmissable. Its run ends on February 1, so tickets for those grey days after Christmas would be timely. Showing at the Piccadilly Theatre, Denmark Street, London W1, tickets are from £9.50 to £20 (tel: 0171-369 1734).

Every lover should be able to dance, so if his teenage years were spent on the rugger field he might feel bashful on the dance floor. Arrange lessons by ringing The International Dance Teachers' Association (01273-686652) for dance schools and instructors in your area.

Lovers need to keep in trim. You could give him boxing lessons (marvellous for overall fitness and strength) from Cassius (0973-135 288) or Stormin' Norman (0866-423 767), a double act of two experienced boxers who run Fighting Fit circuit classes in London but also offer private training sessions. Circuit classes are around £4 and private lessons begin at £20.

Otherwise, get him his



Acqua di Parma cologne, £45.95, a Tag Heuer Carrera watch, £1,495, and silver address book, £9

own personal trainer. International Personal Fitness Training will give a free consultation and then charges £50 an hour for the training. The International Dance Teachers' Association (01273-686652) for dance schools and instructors in the world.

Lovers, of course, should be able to conjure up seductive meals at home. Lyn Hall is running six-week Bachelor Cooks classes from January 9 or February 20 (tel: 0171-584 6841) at £255.

Besides fine food, winter evenings at home need good music, fine champagne and good coffee. For music, Bang & Olufsen's latest stereo is the BeoSound 9000 at £4,800. It takes six CDs and incorpo-

rates a radio, it can be wall mounted, free-standing, placed on a shelf or stand upright on a table. The amplifiers are included in the speakers themselves, so the reproduction is fuller and purer. For stockists, tel: 0173-462288.

Treat him to a special champagne - Veuve Clicquot has just released 1988 vintage of La Grande Dame Rosé at £150 a bottle is generally agreed to be one of the best for years (for stockists tel: 0171-887 1807). For coffee, the Krups Nespresso machine, which relies on easy-to-insert capsules, makes fresh coffee as easily as powdered. At £349, Jerry's Home Store, 163-167 Fulham Road, London SW3 (0171-561 0909).

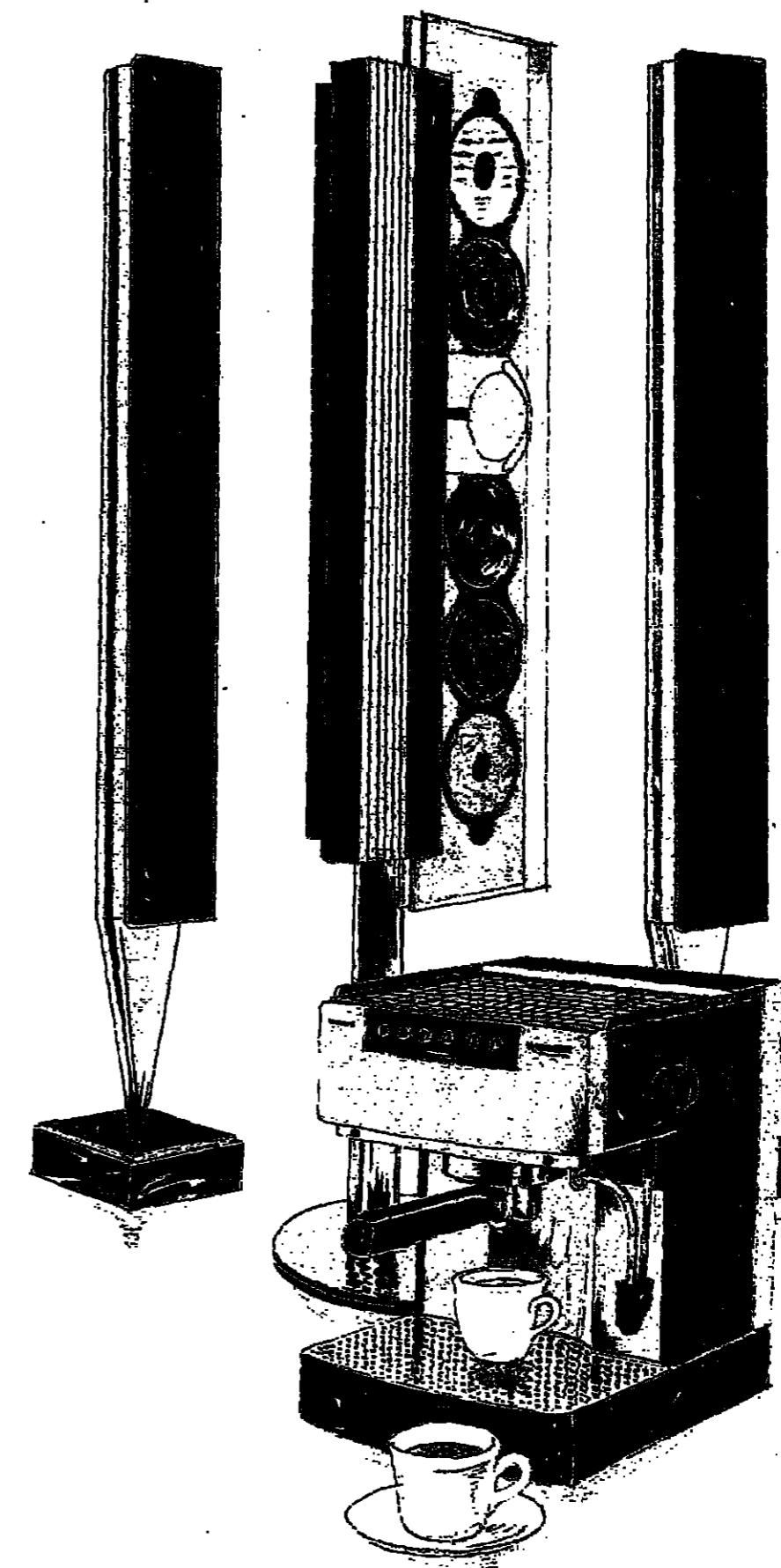
For lovers who like fine food but are not interested in cooking, collect the best and simplest food-stuffs and pack them in a basket or hamper. There are good delicatessens all over the country which sell Balsamic vinegars, fine virgin olive oil, grappa, truffles, amaretti. For Londoners, Carluccio's, 28a Neal Street, London WC2 (tel: 0171-240 1487) has wonderful Italian treats. Fresh amaretti, all soft and squashy, make a splendid change from dry versions and cost just £4.30 for 250 grams. A bottle of Vin Santo with biscuits for dipping is a delicious way to end a meal £26.20 from Carluccio's.

If he hasn't got a watch he really loves, give him something robust to last a lifetime such as Tag Heuer's newest one, The Carrera Replica, £1,495. Available from leading Mappin & Webb stores nationwide (tel: 01204-861168) for stockists.

If he smokes, Zippo has a limited edition of its famous Pin-Up lighters. Featured in countless movies, it is a cult, kitsch lighter. There is a choice of five different dreamgirls, the modern version of the "windproof" beauty who showed that the Zippo stayed lit, no matter how windy. A single lighter is £25, a boxed set of four, £100. Find them at leading tobacconists and gift shops.

Poetry is an essential gift for your lover. A 16th century pocket edition of Petrarch's sonnets is being sold for £10. The original Italian, bound in red morocco, can be found at Maggs Bros, 50 Berkeley Square, London W1 (0171-493 7160) for £450.

After-shave is a tricky area. Introduce him to a wonderful, old classic, Aqua di Parma, made by an Italian company which has been producing since the 1930s. Way ahead of the current pack with its so-called mould-breaking androgynous perfumes,



The BeoSound 9000 stereo by Bang & Olufsen, £4,800, and the Krups Nespresso coffee machine, £349

Illustrations: Bryan Pools

tury pocket edition of Aqua di Parma's yellow liquid was being splashed on the wrists of such stellar contemporaries as Audrey Hepburn and Cary Grant.

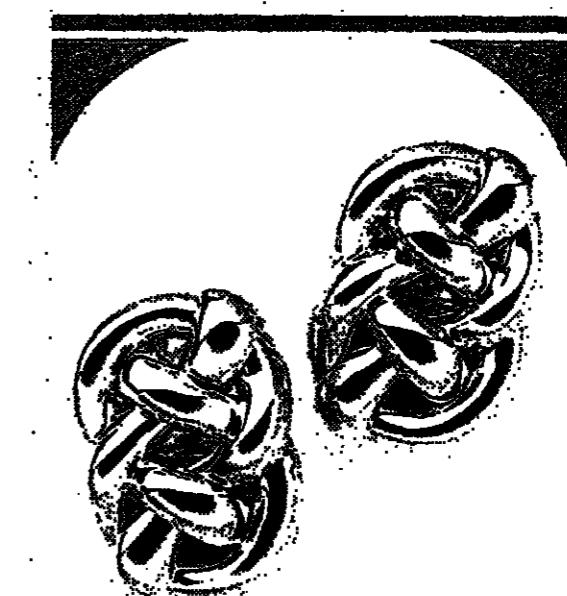
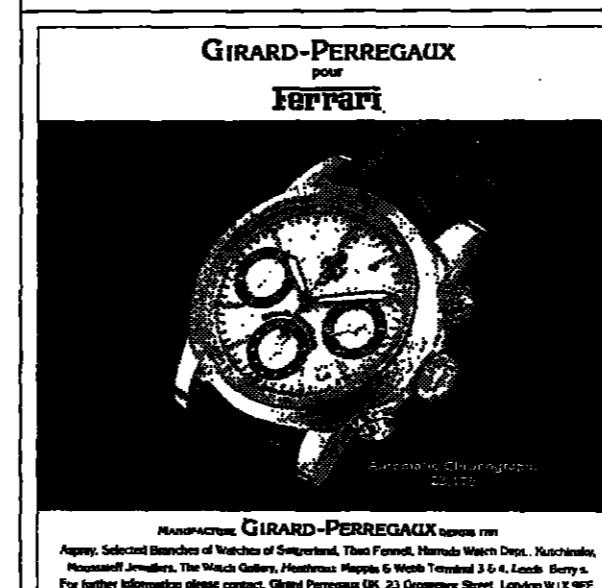
Now there are soaps, talcum powder, beauty creams, bath foams and accessories with the same classic, light, citrusy smell. The eau de cologne comes in two sizes, £25.95 for 50ml and £45.95 for 85ml. Packaged in a distinctive Parma yellow, it is available only from the Conran Shop, 51 Fulham Road, London SW3.

The impecunious could put tiny, silver address book in his stocking - it looks much smarter than its price tag of £9 suggests. Debenhams (0171-580 3000).

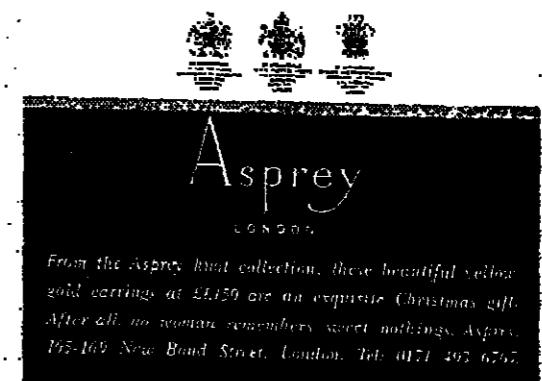
For the eco-conscious lover, adopt an animal at London Zoo. Adoption starts from £20 for an ant, and goes up to £6,000 for an Asian elephant. Adoptive parents receive a package including a photograph, an adoption certificate and discounts for visits to the zoo (tel: 0171-492 6262).

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TRAVEL

Namibia – like living in a cathedral

Justin Cartwright finds an unpopulated wilderness of desert and semi-desert which has some surreal touches

Namibia is one of the great undiscovered holiday destinations of the world. Its landscapes are immense, beautiful and haunting. This is a country where space is tangible; you feel yourself engulfed by the landscape.

It is a dry, sandy country, desert or semi-desert except in the far north. There are three sand colours: a molten lead, a whitish caramel and a red the colour of Rhode Island chicken. In the Namib Desert there are places where the red sand rises to perfect, sculpted dunes of 1,000ft. In other places, like the surreal town of Swakopmund, white dunes seem to be marching out of the desert into town in a game of grandmother's footsteps. Along the desolate but magnificent Skeleton Coast the sand is dead, a grey mineral waste.

Namibia was a German colony between 1885 and 1915. Many German speakers remain, and in the capital Windhoek you will find that German rather than the official language, English, prevails. Outside the capital, Afrikaans seems to be the norm. For in 1915 German South West Africa became effectively a part of South Africa. Windhoek, which rests on the less arid central plateau, is a busy, little place, with many lovely German buildings, but still open to the vastness around.

Windhoek is the starting point for safaris, can hire camping equipment and flights. We flew to Caprivi. Gifted to Namibia in 1990 when the country became independent, it is a tongue of land between the Zambezi and Okavango rivers bordering on Angola, Zambia, Botswana and Zimbabwe. Showing signs of the war, that South Africa fought through the 1970s and 1980s, Caprivi is watery and tropical, different from the rest of the country, with elephants, hippos

and swamps. Most of the game was shot out during the war, but elephants are no respecters of borders and they are venturing in from Botswana.

We flew back to Etosha Pan, Namibia's 6,000sq km dry inland lake and its most famous reserve. (Apart from athlete Frankie Fredericks, Etosha is the only thing anyone knows about Namibia.) Here we picked up our hire car and here we saw our first desert oryx, the trademark animal of Namibia, a graceful antelope.

Children are playing, while just over the wall elephants are coming and going and rhino blunder around nervously.

lope in black and white with scimitar horns.

Etosha has great herds of zebra, springbok and giraffes too and also lions and elephant which have been dumped along the riverbeds to fend for themselves.

The landscape here is almost impossibly beautiful, mile upon mile of arid hills, huge sand-dunes, wind-sculpted sandstone, Bushman caves, and dry rivers, to which a few rather desperate smallholdings cling, yet it has a surprisingly rich wildlife of oryx, springbok, ostrich, baboons and small antelope. Damara land has an untouched quality which may not last.

We passed into the vast Skeleton Coast Park. It is hard to imagine the magnificent desolation of the place. As we headed on to Ongava, just outside the park, a spectacular and luxurious place where arriving guests are greeted by the beating of a drum before being shown to individual villas looking down on to a plain. There is also a tented camp about

10 miles away on the same property. A rather mad rhino called Brutus, rescued from a zoo in Europe, patrols the place.

After a couple of sybaritic nights, we headed for Damaraland in the west – home to the celebrated desert elephants. They live in the mostly dry beds of the Huab and Uriah rivers, which once in a while, flow through to the Skeleton Coast. We passed through the capital of Damaraland, Khorixas, place of such staggering inconsequence: a cafe, a petrol station, a few huts and houses – that we could not but love it.

We drove down a spectacularly empty road to the very new Damaraland Wilderness Camp. Our directions included looking out for the remains of a yellow truck by the side of the road. You are grateful for any landmarks you can get in this vast emptiness. This is a private camp, with comfortable tents, hot showers and ample food. The point of Damaraland is the remoteness and silence of the place, sharpened by the knowledge that down in the riverbeds are elephant and rhino.

I went for a walk with the tracker. He and his family had been forcibly moved here 25 years before from South Africa under the madness of apartheid and been dumped along the riverbeds to fend for themselves. The landscape here is almost impossibly beautiful, mile upon mile of arid hills, huge sand-dunes, wind-sculpted sandstone, Bushman caves, and dry rivers, to which a few rather desperate smallholdings cling, yet it has a surprisingly rich wildlife of oryx, springbok, ostrich, baboons and small antelope. Damara land has an untouched quality which may not last.

We passed into the vast Skeleton Coast Park. It is hard to imagine the magnificent desolation of the place. As we headed towards the sea, it was apparent that even the hardy springbok and oryx have not risen to the challenge of this landscape. The Skeleton Coast is famous for its wrecks, its sea mists, its seals and the strandveld, beach dwelling hyenas.

At Swakopmund, a German town still favoured as a seaside resort, the sand-dunes menace the town, but there is a Teutonic solidity to the place – the main street is Kaiser Wilhelm Strasse – and much to do, like dune surfing, fishing, horse riding, golf and desert trails.

We set off east into the desert again, taking advice to follow a back road to the very new reservoir he keeps a puffadder. It is a wonderful place, like something out of an advertisement for Australian lazer.

Many hours later we found Zebra River Lodge, a comfortable guest farm. We spent a few nights there and at Kulala Lodge, run by some Belgians who have recently built the most quirky and stylish lodge in Namibia, and the strandveld, beach dwelling hyenas.

Heading south now towards Sossusvlei, we stopped for petrol at Solitaire. A huge man in a singlet runs the store and petrol station where the petrol is pumped by hand. In an old tin reservoir he keeps a puffadder. It is a wonderful place, like something out of an advertisement for Australian lazer.

We were happily consumed now in the solitude of this huge country, a country apparently without a population. It was not until we headed for Windhoek again that we were reminded that most of the few people live along the central spine, the railway way from north to south.

In Windhoek, we dusted ourselves off and bathed and shopped before setting off north to the Waterberg, a park with historic significance, for here the German Schutztruppe and the Herero people were engaged in a bloody campaign at the turn of the century.

The nearby Okonjima guest farm is owned by the Hansen family. They have turned it over to the protection and rehabilitation of cheetah and leopard trapped and persecuted by farmers for their depredation on livestock. What makes Okonjima unique is the fact that there are about 25 cheetahs and leopards living around in giant, fenced fields. These are animals which are in various stages of relocation and rehabilitation.

Wayne Hansen is trying a long-term experiment, both to educate farmers in ways of living with cheetahs and leopards, and to condition leopards and cheetahs to avoid livestock. Through observation and an understanding of their habits, Hansen has been able to build a convincing case for the futility of killing leopards. It remains to convince the farmers.

The guest farm is itself a magnet for animals. One night as we were sitting around the open fire outside, a lynx appeared. It was fed and rushed back into the bush. It was an alumnus. An enormous warthog called Piggy appears from the bush at breakfast for a handout, and a tame mongoose jumps into your lap squeaking cheerfully. Most extraordinary of all is a baboon called Elvis which shares its breakfast with Hansen.

We left Okonjima to head south for Windhoek and the airport with heavy hearts. Returning to Britain was like crawling into a tent after living in a cathedral.

■ **Justin Cartwright's Not Yet Home, A South African Journey has just been published by 4th Estate.**

■ **The author and his family travelled with Abercrombie and Kent (0171-730 9376) and Air Namibia (0181-944 6181). Namibia Tourism (0171-636 2928).**



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TRAVEL

The Aga Khan comes to town

Sarah Murray joins a welcome party in the Hunza valley

This man is a mathematical genius," said the young Pakistani, wielding a paint brush and pointing at his friend. "Take a measure in hand, he was busy drawing giant letters that would eventually be slopped out in rough whitewash; a couple of sign painters doing an honest day's work.

Except we were on the side of a mountain, about 3,000 metres above sea level peering down into the remote valley that gapes wildly between the Hindu Kush and the Karakoram. All over the mountainsides were messages scribbled across vast pieces of rock at heights defying comprehension. Several metres tall and painted on great slabs of stone, they were written by the residents of the Hunza valley, at the heart of this wild part of Pakistan. "Welcome our Hazir Imam," they said. The "Hazir Imam" was Prince Karim Aga Khan,

spiritual leader of the world's Ismaili Moslems, who make up much of the region's population. For the Aga Khan was coming to town and it was Christmas. At night, whitewashed letters were replaced by words picked out in lights by devotees perched on the slopes with oil lamps. Some took with them rubber tyres, which they set alight and rolled down the gullies.

They are found abbreviations in these parts and "HH", as he is sometimes known, has a whole string of them attached to his name: AKRSP (Aga Khan Rural Education Programme), AKES (Aga Khan Education Services) and AKHS (Aga Khan Health Services) - all institutions set up by the Aga Khan to complement his spiritual guidance with practical help.

The KKH is another local abbreviation. To western eyes it may look like a badly made country road, but the Karakoram Highway repre-

sents one of the world's most ambitious engineering projects. At a cost, some say, of a life per kilometre, Pakistan and China cemented their growing friendship in the 1960s by constructing a road that now runs from Islamabad to Kashgar in China. Much of it follows the old Silk Route and most of it climbs alarmingly to verdical slopes where landslides are a constant threat.

Before the KKH opened in 1986, reaching the Hunza valley meant grueling treks for days. Today, along what is now an artery of commerce, plough the great Bedford trucks, decorated beyond recognition with tinsel, bells and paintings.

Outside an impressive new hotel in Karimabad, Hunza's capital, we were greeted by one of the current Mir's sons, who seemed to be in charge of his father's latest business enterprise. The Mir, whose ancestors once ruled Hunza, has no power today but his family still owns

much land in the area. Over tea in the gardens of the palace, the Mir's son explained that when his mother was brought up to the valley from Lahore to marry his father, it was on the back of a horse. Times have changed. The Mir may have lost his feudal powers but his son drives a sports car and, with his hotel, hopes to cash in on what may soon become a flourishing tourist destination.

The Mir's son should be grateful for more than the chance to drive a fast car. Generations ago, he would not have survived at all. The story goes that, to avoid complex inheritance arrangements, Mirs once practised an unusual form of birth control. After the first son was born, subsequent male offspring were buried down a gully on to the sharp granite below from a window of Altit fort, their residence at the time.

This medieval structure - with its ominous window - can now be visited, although it is in a desperate state of disrepair. Perched high on a rock with a 700-metre vertical drop to the raging river below, its defensive properties are formidable.

The Mirs later moved across the valley to Baltit fort, where they remained until the 1940s. "Surely the most impressive medieval castle in the world," was how one western visitor described this extraordinary structure in 1925.

Constructed of wood, a stone and stovetop and a palatial top floor with features drawn from British colonial buildings of the Punjab.

In the 1920s foreign visitors said they saw walls blackened with age hanging with family portraits, a collection of clocks, souvenirs from Europe, and an ancestral sword and dagger. At first glance, little appears to have changed. Portraits still adorn the walls, as do a variety of swords, and the place

retains its dim, medieval atmosphere.

But behind the earthy plaster lies high-strength polymer mesh. New foundations have stabilised the south facade and steel tie bars help keep leaning walls in place. A transformation has occurred. In the early 1980s the fort was in much the same state as Altit. Roofs were decayed, empty rooms were covered in graffiti and walls leaned precariously outside the foundation lines.

After an extensive restoration programme by the Aga Khan Trust for Culture, the building reopened last month as the Baltit Fort Museum, combining the best features of an ancient pile with elements of a contemporary museum. Subtle lighting creates an atmosphere that leaves the imagination free to roam while modern interventions have been left visible. One of the rooms has been turned into a study centre where high-tech furniture sits within the medieval walls.

One of the Mir's relatives is now the custodian of the fort the greatest glory of which is perhaps the view from its windows. Unlike his ancestors, however, he can now enjoy the dramatic scenery without any risk of being buried down a gully.

See How To Spend It, the colour magazine.



Sarah Murray

Tracks – but no wolf

The tracks, which took a straight line across the frozen lake, were round, deep and large as saucers.

They came from a cache of frozen meat behind the log cabin and disappeared up the valley. I followed crunching over the snow, 4ft thick in parts. The trail was direct and determined, its maker had trotted along purposefully, unwilling to be side-tracked. There could be no doubt that this was wolf.

Canada is noted for being one of the last strongholds of the wolf and here, in the 260 sq miles (670 sq km) Jacques Cartier Conservation Park, north of Quebec, there are two packs, each of five or six individuals. One pack, led by a large wolf known as Alex and his alpha female, lives mainly in the south and west of the park while the other inhabits the more remote north and east.

A couple of wolves in each pack carry radio collars so that their movements can be monitored by Pierre Vaillancourt and his Faune Aventure team. Picking up the initial radio signal to locate the animals is all but impossible in the rugged terrain and dense undergrowth, even with snow mobiles and snow-shoes. The solution is a helicopter.

A distant clatter of rotor blades indicated that it was on its approach. As the rotors swung to halt I was able to read the Canadian French on the side - "Hors La Loi" or "Outlaw". Pierre and Stephan fastened their radio telemetry aerial to the front of the helicopter and then we were off, swinging over the tree tops with eyes peeled for moose and for wolf tracks, and with ears listening ready to the signal on the radio receiver.

The Park consists almost entirely of a plateau covered with fir, spruce and birch. Along the western boundary, a split in the Earth's crust has created the picturesquely Jacques Cartier Valley, steep sided and 1,800ft deep, which has been smoothed to a U-shape by subsequent glacial action. Those on the right of the aircraft spotted moose tracks in the valley bottom and we nose-dived towards the ice-covered river. The tracks began to scale the valley wall and within seconds the helicopter was climbing like a lift as we followed their path through the bare trees.

The regular bleep of the radio signal was increasing in volume. The wolf pack was not far away. Skimming the tree tops, we buzzed back and forth over a small area, but could not make out the wolves under the tangle of branches. But we had a fix on Alex and friends. By way of a grand finale we flew under power lines on the edge of the park and then swept down the narrow gorge of the North West Jacques Cartier River.

Eight years ago, Pierre Vaillancourt was employed as a technician by the Canadian Wildlife Service. A shortage of funds led to his redundancy two years later. He began Faune Aventure shortly after and now works in conjunction with the park.

We found a signal and hurried up the valley side, hot on the trail

By calling the wolves in

this way, and encouraging them to bowl back, it is possible to locate the animals and estimate the numbers in their pack. But our howling, the sound echoing round the valley, received no reply.

During our six-day stay we had come to realise just how much activity there was in the woods. We had seen American martens and squirrels, grey jays and chickadees and been shown the surface footprints of fox, snowshoe hare and rabbit and the deep, plunging tracks of moose. But, although a wolf had visited our cabin in the night, it had remained elusive.

One day, we followed the radio fix, made in the helicopter, far into the hills, traveling over rough terrain by snowmobile and stopping to try the receiver from time to time.

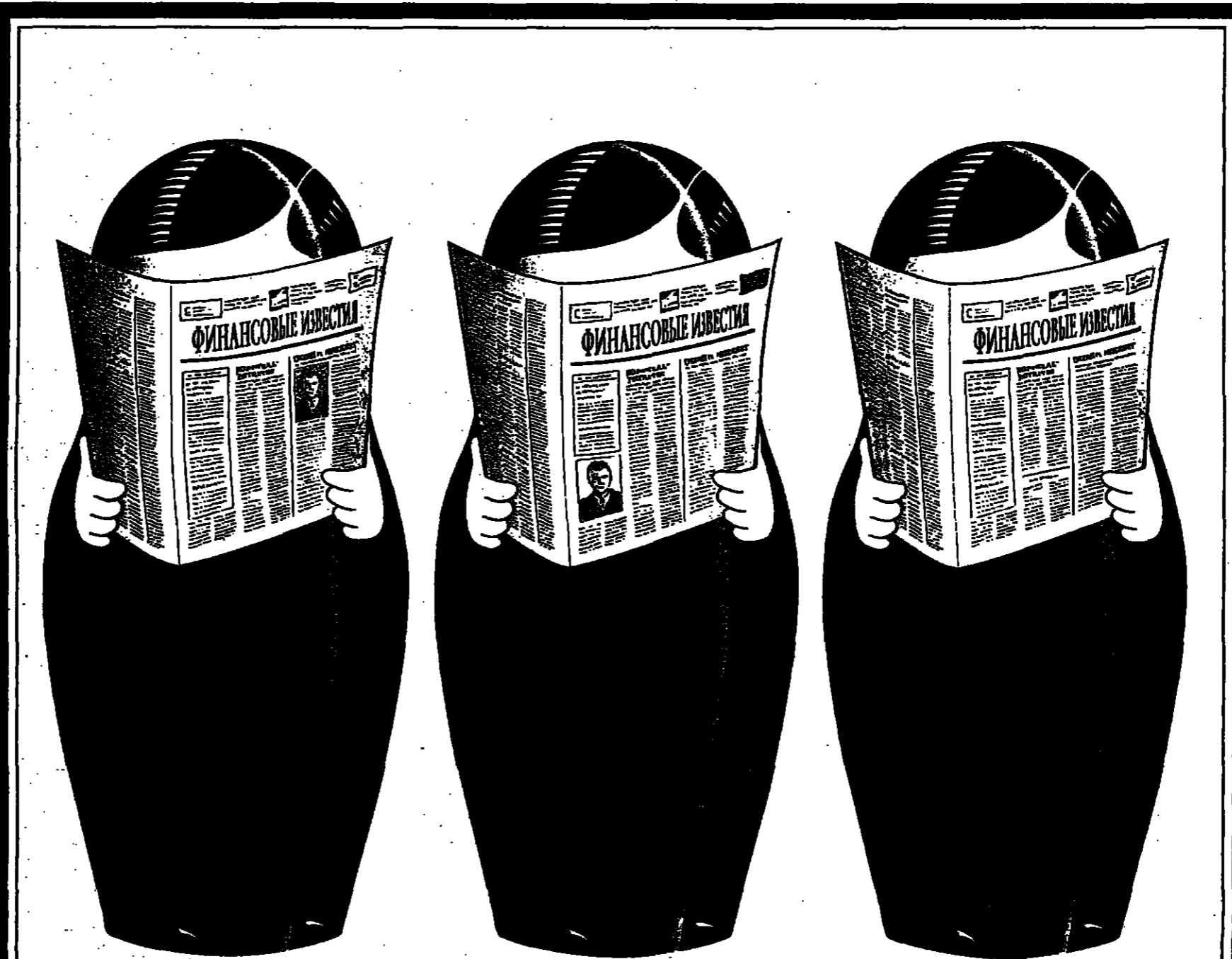
At last we found a signal and hurried up the valley side, hot on the trail.

Two sets of wolf tracks crossed our path and, when we rounded the corner we found that, cantering now, they had crossed again higher up. A receding radio signal told of their retreat into impenetrable country. We had been minutes behind.

Seeing a supremely suspicious wolf is all but impossible but simply being that close to these cautious grey ghosts was a reward in itself.

Michael J. Woods

■ Michael Woods' trip was organised by the Canadian Tourist Office (tel: 0171-258 6600) and Quebec Tourism (0171-332 9742). He flew with Air Canada (0181-850 8485) and went tracking in Jacques-Cartier Conservation Park with Faune Aventure, 914 Duchesneau, Sainte-Poë, Quebec, Canada G1X 2Z4. Tel: fax: 418 842 5099.



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FOOD AND DRINK



Two fat ladies: television cooks Clarissa Dickson Wright (left) and Jennifer Paterson

Recipes from Britain's television cooks and chefs

PARTRIDGES WITH CABBAGE

As Clarissa Dickson Wright writes in *Two Fat Ladies* (BBC, £17.99): "This is excellent and a good way of dealing with older birds."

One partridge per person; 1 medium cabbage (preferably Savoy), shredded; 50g butter; lard or bacon fat; ½ tsp paprika; juniper berries; 400ml double cream.

Method: Parboil the shredded cabbage in salted water for 10 minutes. Drain it well.

In a heavy pan, melt the butter and brown the partridges on all sides. Add the cabbage, season with salt and pepper, and add the paprika and a few juniper berries. Cover and cook for 20 minutes.

Add the cream, mix well and adjust the seasoning. Cover and cook for a further 10 minutes.

PIGEON BREASTS WITH HONEY AND GINGER

Quoted in *Two Fat Ladies*, this recipe comes from Paul Coates. The quantities given for the sauce will make more than needed here, so you can have fun finding other uses for it.

Eight pigeon breasts; 50g butter; the juice of half a lemon. For the sauce: 80g sugar; 115g warm ginger; 2 tablespoons runny honey.

Method: For the sauce, dissolve the sugar in 150ml water and boil for 4 minutes without stirring. In a blender, purée the ginger; add the honey and process gradually, pouring in the sugar syrup. Blend until smooth. This can be stored in advance and kept in the fridge.

Heat the butter in a frying pan until foaming and cook the pigeon breasts for 3 minutes on each side. Add 2 tablespoons of the ginger sauce and cook for another 2 minutes. Remove the breasts, slice them lengthways and lay out on a

warmed platter. Add the lemon juice to the frying pan and cook until the sauce is thick and syrupy. Season to taste. Pour the sauce over the pigeon breasts and serve hot. Or, if serving cold, add thinly sliced fennel dressed with oil and lemon juice.

STINCO AL FORNO

This specialty of the Don Lisander Restaurant in Milan comes from Antonio Carluccio's *Italian Feast* (BBC Books, £16.99). "It is a wonderful idea to cook this for a large party of at least 10 people," writes Carluccio, who suggests serving with a mixture of vegetables such as courgettes, carrots, leeks and spinach. In England you will probably need to place your order for skin of veal with the butcher well in advance.

Four kilogram skin of veal; 2 garlic cloves cut into quarters; 5 sprigs of rosemary; 1 medium-sized onion; 350ml stock; 2 tablespoons olive oil.

Method: With a sharp knife pierce the outer skin of the veal in several places and insert the rosemary and garlic pieces. Season the whole piece of meat with salt and pepper. Slice the onion in rings and put them into a roasting pan with the stock, olive oil and the meat. Cover with foil and roast in the oven for 1 hour 40 minutes. After 30 minutes remove the foil. During the cooking baste the meat from time to time with the liquid.

When the veal is cooked, strain off the liquid and use it as a sauce to serve with the meat.

NEXT WEEK

Philippa Davenport writes about Christmas cakes – to buy and to make.

The British: a nation of culinary voyeurs

Philippa Davenport considers the current passion for television cookery programmes in the UK

A new channel devoted exclusively to food and cookery has just mushroomed on to British television screens. Cooking, we are told, is now one of the nation's main hobbies.

I take this news with a pinch of salt. The British appetite for culinary voyeurism certainly seems to know no bounds. Chef-watching has become a national pastime: yesterday's idolaters of pop stars and footballers have grown up to become chef groupies.

But soaring viewing figures for television cookery programmes are matched by soaring sales of processed foods (or ready-prepared or value-added food lines, as the manufacturers prefer to call them). The ironic truth, I suspect, is that at least half the audience of gastronomic programmes are tuning into Marks and Spencer microwaved chilli, fresh dishes or dipping packet snacks as they view.

Day-long cookery on television is not new in the US, where, I hear, Julia Child's 1970s series is

re-showing yet again. Child first made her name as one of the trio who wrote *Mastering The Art of French Cookery*, a tome that devotes seven pages to making a cheese soufflé and it lists not only the ingredients but all the equipment needed to make it, right down to minutiae such as sauceron capacity.

As a pioneer of American television cookery in the days when re-takes were rare and every detail was planned and rehearsed, Child earned her crown as queen of cooks for sheer aplomb. When, for example, a chicken she was preparing slid to the floor in front of camera, she picked it up, it is said, without batting an eyelid and went on as though nothing untoward had happened. Majestic was the description of her that crops up time and again; tall, deep-voiced and authoritative, she is a larger-than-life figure in every sense.

A lighter approach is displayed in an American series recently

shown in Britain, *You Can Cook*. The eponymous Yan is a virtuoso with a chopping knife. He reduces ingredients – but miraculously not his fingers – to smithereens within seconds, to gales of applause from a live audience. In spite of the conjuring act presentation, the underlying approach remains serious. In American television cookery, the ingredients, the techniques and the recipes are, it seems, what really matter.

In Britain on the other hand, although BBC cookery programmes used to come under the corporation's educational wing, the old aims of educating and inspiring seem to have been replaced by the need to entertain.

The cult of celebrity, personalism and gimmickry has affected the British. It is no longer enough for cooks to be cooks, or chefs to have great signature dishes, they must be performers if they hope to gain a television slot. To be passionate about food, to source ingredients well, to be a

good cook and communicator is, apparently, insufficient to send viewing figures and book sales rocketing.

Producers thirst after a quirky, a twist, a catchphrase, a unique selling point, the more flamboyant the better, that will make

Carluccio is Britain's best known Italian shopkeeper, the Pavarotti of fungi fans

their programme stand out from the rest. If you lack a party trick, an ambitious producer will invent one. Thus Rick Stein, whose natural talents and enthusiasm make any extras superfluous, was portrayed as the television chef with the dog who growled.

Delia Smith has managed to get away without having any such foolishness foisted on her, but only I suspect because she has been such a longstanding success that she can dictate her own terms.

My personal favourites are minnows compared to Smith and their series are, I suppose, considered too straightforward to show again as yet. Maria José Sevilla, Mireille Johnston and, best of all, Claudia Roden's tour of Mediterranean cooks and cooking.

On the other hand, new series seem to be readily forthcoming for Gary Rhodes (launched as the culinary answer to Nigel Kennedy) and Keith Floyd, who took over the BBC's bibulous niche when Fanny and Johnnie Craddock's reign came to an end. His habit of directing the cameraman, I presume, another feather in his cap, is seen in the eyes of entertainment-besotted producers.

This autumn, British television cookery has been going through a pro ageism and sexism phase

with the screening of series by Antonio Carluccio, and Clarissa Dickson Wright and Jennifer Paterson. In an era when undergraduate girls tend to get to the top, it is encouraging that those in late middle age, and larger than size 16, are being thus celebrated.

Carluccio is Britain's best known Italian shopkeeper, the Pavarotti of fungi fans, a suddenly looking Michelangelo man, and he clearly relishes the role of centre-stage entertainer. Carluccio's previous television appearances, in the otherwise unwatchable BBC Food & Drink programme, were a delight, tightly edited nuggets that throbbed with Italian life and set the saliva sputtering.

His solo series, *Italian Feast* (BBC) has been less well-paced, sometimes self-indulgent and the camera lingers too long. If I see another cat prowling or snoozing in a corner, I shall scream. And I am beginning to feel a mite embarrassed by the endless stream of superlatives he utters, usually about his own cooking.

Only a group of Milanese fashion students, for whom he cooks *pizzoccheri* (a dish of buckwheat pasta, cabbage and potato from Valtellina) are translated as having less than ecstatic reactions. As it happens, I agree with Carluccio; it is a wonderful dish.

Clarissa Dickson Wright and Jennifer Paterson are a double act, a comedy-culinary double act, not as in Fanny and Johnnie Craddock or Laurel and Hardy, where there is one lead and one fall guy, but a double act where both partners are of equal weight.

Two Fat Ladies (BBC 2, Thursdays) is deliciously politically incorrect in every way, from the programme title to the immaculate accents of its Julesque heroines with their outrageous opinions, committed to the pleasures of meat, chocolate and cream, militantly anti-vegetarian and frequently ridiculing the health lobby.

Knowledge and wit lie behind the slapstick and they have some cookable recipes to offer, or should I say receipts.

Bubbling to the top of the pile

Giles MacDonogh on the Taittinger marque

Time changes, but the names remain the same. Almost all the champagne houses which make up the club called the *Syndicat des Grandes Marques* have existed since the organisation was founded in 1882. Being a *grande marque* means you are a member of the élite.

Younger or less powerful companies are brushed aside while the *syndicat* bars entry to those huge co-operatives which have since become a force to be reckoned with in the business, notably through their sales of own-label brands to British supermarkets.

In spite of their high and mighty attitude most members of the *syndicat* would have trouble existing without the champagnes they buy in from one or the other.

Until recently it seemed that once you were in the club you were home and dry. In practice poor quality champagne was not punishable by relegation. It was getting in to the *syndicat* which was the problem. In the past three years, however, there has been talk of a shake up and a few houses

(mostly *sous-marques* which had long ceased to possess an identity of their own) have left of their own accord. We are still holding our breath to see if there is to be any real bloodshed.

In the past century fewer than a handful of companies have actually managed to join the *syndicat*. Of these the two most striking examples are Laurent Perrier and Taittinger. The former was a little house in Tours-sur-Marne which grew big after the second world war, the latter a creation of the interwar years, launched by a family which has played a small part in the history of France in our century.

The family's beginnings were humble enough. The "Taittingers" came from Lorraine and opted for France when the city of Metz became German in 1871. Pierre-Alexandre Taittinger, the patriarch of the family, was a practice which was not without precedent in the region. Most et Chandon purchased the Abbaye de Hautvillers in 1855 they created the Société du Louvre, which in 1855 owns the Crillon Hotel, among other things.

It seems to have been Pierre who had the idea of gate-crashing the history of champagne: when your family has no past of its own you can always buy one. It was a practice which was not without precedent in the region.

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and the cellars of the Abbey of Saint-Nicaise in Reims.

Claude, his son, the present chairman of the champagne firm, has polished up the family's escutcheon by penning books on the various ancestors that Taittinger has acquired along the way. His latest effort is his gossip history of the House. The translation (Editions Stock) fails to make a dent on his outlandish Gallic style.

Laurent Perrier, that other post-war meteor in the champagne universe, never saw need to promote itself in this way. Its style was more discrete and aristocratic. There are noticeable touches of moneyed vulgarity about Taittinger, including the strange "collection" range where bottles of ordinary

vintage wine are wrapped in a plastic sheath decorated by a contemporary artist. The trick, it seems, is not to drink it. If you do, it loses its value as a work of art.

Leaving such gimmicks aside, Taittinger's champagnes are very good. The non-vintage (22.95 from Majestic and Odibins) is one of the best, containing a high proportion of old Chardonnay wine. The vintage 1990 (22.49) is also dominated by Chardonnay and has a rich peachiness about it. Best of all are the Comtes de Champagne wines (39.95), the superbly elegant blanc de blancs and the pure Pinot Noir rosé. We may grumble about some of the houses, but no one challenges Taittinger's right to be up with the pack leaders.

Some of Austria's best food is made there. Food, however, is not the region's strong suit. Although there much talk of the special "Pannonian" cooking, with its cäkös and paprika, it can be hard to track down.

All of which makes Taubenkobel exceptional. It is one of the best restaurants in Austria, possibly the best in the east of the country. It is also conveniently situated in Schützen am Gebirge, a few minutes drive from Rust, or the regional capital, Eisenstadt, where it is housed in an old Burgenland farmhouse, a rare thing now since the post-second world war orgy of destruction which has taken place in the Austrian countryside.

After being dismissed, Chater decided to compile a "mean cuisine" cookery book. And it is a worthwhile buy. He has obtained some lively recipes from Britain's best chefs – a genuine pot pourri of exciting ideas. Jill James

A meal to savour in Burgenland

Burgenland forms Austria's eastern border and is filled with castles, hence the name. It used to be part of Hungary, and, as such, enjoyed a more liberal regimen than neighbouring Lower Austria.

Protestants who were persecuted in Austria, settled there on the huge, shallow Neusiedler Lake. So did many Croatians. To this day, a number of villages speak Croatian. Most Burgenländer,

however, are spoken German and, for this reason, the territory elected to join Austria in 1921, two years after the Treaty of Versailles had shorn the Habsburg Empire of many dependencies.

There are many reasons for going to Burgenland. It is just an hour from Vienna and Vienna, among other things, numerous pilgrimage churches and castles; the old town of Rust with its storks; and the healing waters of Bad Tatzmannsdorf.

Some of Austria's best

richest of veal stocks. One of the real high-points came next: a fillet of local catfish with cubes of calves' head, the fish crunchy, the flesh soft and buttery, relieved by a little coriander and black pepper. This was actually trounced by a small piece of slowly-cooked pig's cheek with potato purée and truffle crisps. Dividing the cheek from the purée were two potato crisps stuck together containing a slice of truffle. Truffles covered the potatoes and enriched the sauce.

The next dish was pike. Taubenkobel means dove-cote – horn of plenty mushrooms and a baked shallot and celeriac purée decorated with a stick of oven-dried celery. In the sauce were diced celery and cubes of pigeon liver.

The portions were small, but I was already groaning, and welcomed the small pearl sorbet which heralded the dessert: a quark dumpling with cherries and custard; and a piece of honeyed carrot cake which concluded the feast.

Prieler's wines shaped up admirably. The best were the 1992 Chardonnay and the 1993 Cabernet Sauvignon; and a still fresh 1986 Blaufränkisch, which, for some strange reason, turned up with the coffee.

Prieler's wines are now available from FWW Wines UK Ltd. For stockists call 0181-788 8161.

Giles MacDonogh

One of the high points was fillet of local catfish with cubes of calves' head

some of White's panache, but his cooking is refreshingly anchored in local tradition.

The *amuse-gueule*, for example, was a *quenelle* of smoked pork. This was followed by a complicated, but successful, dish of beetroot and marinated char and baked carp, strewed with caraway seeds.

Chater's book, *The Impoverished Gastronome* (Fourth Estate, £17.99, 250 pages, paperback), which reads "For Gillian O'Connor, You couldn't hope to be sacked by a nicer person."

After being dismissed, Chater decided to compile a "mean cuisine" cookery book. And it is a worthwhile buy. He has obtained some lively recipes from Britain's best chefs – a genuine pot pourri of exciting ideas. Jill James

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FOOD AND DRINK

Lured to an innovative hot spot

Nicholas Lander eats at The Typhoon Brewery

Manhattan's latest answer to the perennial question, "What makes a successful business?" is more unusual than most. Called Typhoon, it is a combination of a microbrewery with a range of flavourful beers and Thai food.

James Chew is its talented chef and his managing partners are Jack Keniley and Walter Steinmann. Chew is a former assistant district attorney who, disillusioned with law, went to a Californian cooking school. Keniley is a former business school lecturer and Walter Steinmann is a businessman who runs a plastics factory.

Diners have been queuing around the block, such is the new restaurant's reputation. Financial returns are, initially, more than encouraging. An investment of \$2m, from 30 friends and friends of friends, looks amply covered by anticipated first-year sales of \$5m and better than average margins created by on-site brewing.

Yet Keniley's initial foray into microbreweries was not so successful. Although his first attempt, Capital City Brewing, on H and 11th Street, in Washington DC, now prospers, Keniley had to sell his condominium and yacht to raise extra cash.

But his enthusiasm for microbrewing was undiminished. The phenomenon,

which began on the west coast, produces limited batches of individual beers radically different from America's brewing giants, and is catching on all over the US. "Beer is a drink for today," Keniley says, explaining his success.

He spent two years looking for the right site before his charm finally persuaded the owner of Reilly's, an Irish pub that had fought off Manhattan's biggest developers, including the Rockefellers, to part with 12,000 sq ft of mid-town Manhattan.

Determination then had to supersede charm. "I discovered," Keniley said, "that in trying to combine microbrewery and restaurant I doubled the number of state and federal agencies I had to deal with. I think there were 10 in all."

Yet it was at that stage that Keniley's inexperience allowed Typhoon's individuality to develop. Plans to serve typically American bar food were swept aside after an encounter with Chew, who had cooked with Barry Vine at the illustrious Quilted Giraffe, then at Jo's and Vong. On his return from a two-month tour of Thailand he was determined to recreate authentic Thai cuisine.

A most unusual restaurant is the result. First, you are drawn in not by baking smells, but by the aroma of hope; then there is the sight, which began on the west coast, produces limited batches of individual beers radically different from America's brewing giants, and is catching on all over the US. "Beer is a drink for today," Keniley says, explaining his success.

These are, in essence, the main flavours of all cooking but I was not there to quibble rather, as the Americans would say, to enjoy, which is what I did: two excellent "salty" dishes, shell-on shrimp with garlic and pepper and steamed tofu with minced chicken and basil; a sweet salad of mango, grapefruit and Asian greens and a bitter dish of mustard greens, garlic and yellow bean sauce.

These paved the way for hot and spicy wok-charred Manila clams with red chilli jam and crispy softshell

crabs with Thai basil and glass noodles. This made the subsequent lychee, mango and coconut sorbets seem rather mundane but nonetheless essential.

Chew recognises that his hardest task now is to replicate Typhoon across the US, to ensure that it is not a one-

success will generate more customers with even higher expectations. Keniley, relieved from seeing his commercial and gastronomic ideas justified, is busy turning down offers to replicate

year wonder. And Steinmann, the newcomer to the restaurant trade, is just astonished by what people will say to be associated with a successful restaurant.

"I came in one night," he said, "and overheard two complete strangers chatting up a

woman at the bar claiming he was one of our investors."

■ *The Typhoon Brewery, 22 East 5th Street and Madison New York 10022. Tel: 212-754-9012. <http://www.typhoonbrew.com>. Average £25-30 per head. Closed Sundays.*

The most exciting place to inspect,

smell and buy fresh produce and freshly cooked food. That was my verdict on The Vinegar Factory, the food warehouse which Eli Zabar has created at 431 East 91st Street between York and First Avenues.

At weekends upstairs becomes an exciting cafe where the approach is summed up by the logo on staff T-shirts, "All Thrills, No Spills". Tel: 212-887-0885, fax: 212-888-5700.

■ After an interval of five years, lunch at Le Bernardin on 155 W51st, between 6th and 7th, (212-489-1515) reinforced my belief that this is still one of the finest fish restaurants in the city. I ordered a "pizza" of grilled shrimps, thinly pounded yellowfin tuna, and slowly roasted monkfish tail spiked with chorizo. Desserts were first class.

Yet lunch was less enjoyable than on previous visits because of the proximity of other diners. So many extra tables have been squeezed in that conversation was difficult.

■ After a meal at Picholine,

on 35 West 54th Street (212-724-8585), with fixed-price menus between 5.30pm and 7.30pm, I am convinced that no Manhattan chef offers more culinary excitement than Terrance Brennan.

In addition to the autumn menu, there are two tasting menus, a daily rota of classic dishes ranging from *turbot en papillote* to *cous-cous royale*. In the evenings you can also sample Max McCollman's 40-strong cheese trolley. Picholine also has a private dining room which seats eight, complete with separate entrance.

■ Dinner at the renovated Cellar in the Sky (212-624-7011), atop the World Trade Centre, was a five-course affair with seven wines at an inclusive price of \$125 per person, not including sales tax and service.

Our meal was conspicuous for the generosity with which the well-chosen wines, from Corton Charlemagne Bonneau de Martray 1988 to Dow's 1977 Vintage Port, were poured. The fish and meat courses were disappointing, but this should improve with time. Definitely for wine lovers.

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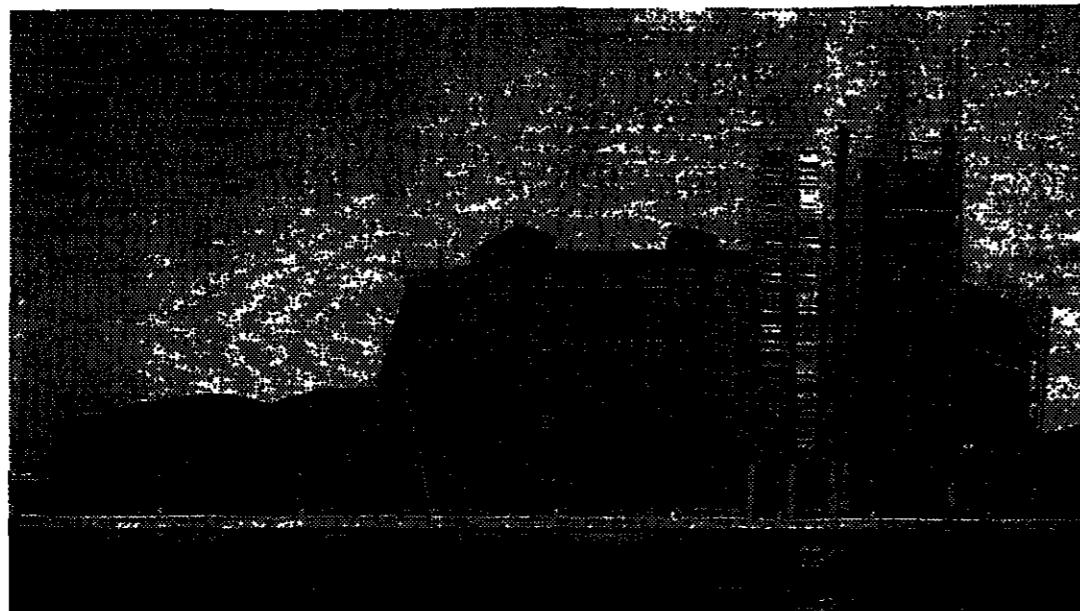
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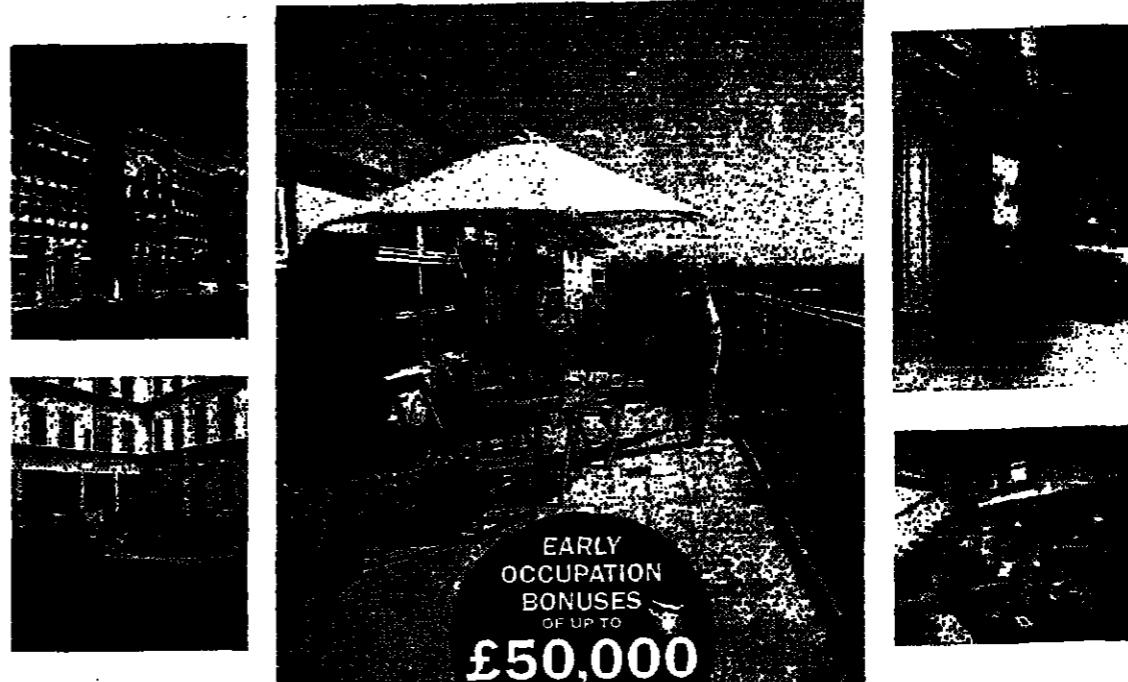
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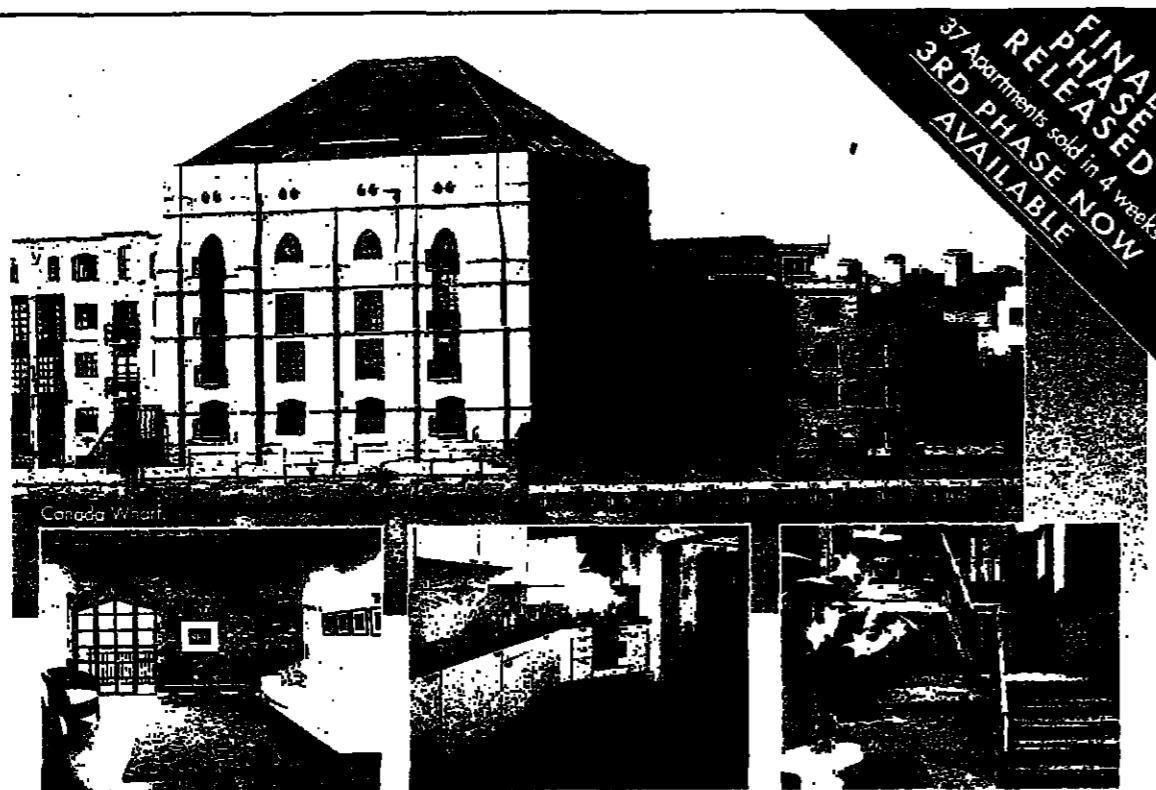
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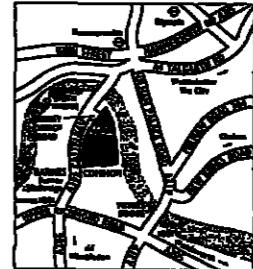
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PROPERTY

Buildings can be full of surprises. Who would guess, for example, from looking at the exterior of a bistro in Barnstaple, Devon, that it contains a superb relief plastered ceiling that a merchant installed in Tudor times?

Georgian houses can also be deceptive. Occasionally, if the back of the house has steep roofs, small windows, low ceilings and exposed beams, you may find that it started life a good deal earlier – at any time from the Middle Ages to the 17th century.

To discover the story of your house, a visit to the National Monuments Record, in Swindon, with its 7m documents – texts, drawings and photographs – on the buildings and topography of England, is more than worthwhile. Similar archives for Wales and Scotland exist in Aberystwyth and Edinburgh. The NMR gladly sends information by post or fax, but if you go personally and browse, you are bound to learn a lot fortuitously.

Nearer home, the public library, local museum and county records office (for written history) can all help, as can the County Sites and Monuments Record (for the archaeological side of the story). If it is not clear where to find the latter, call the county council's archaeology unit or its conservation officers.

The library should have local directories, guides and histories, including two monumental series: the *Victorian County History*, and the surveys of the Royal Commission on the Historical Monuments of England (which runs the NMR in Swindon).

It may also have Department of Environment volumes with particulars of listed buildings. If it does not, the planning department of the district council should have them – or ask the National Monuments Record.

These contain vital primary information on the date, type of building, sequence of construction and historical connections of nearly 500,000 listed buildings in England. The other vital source is the great Penguin series on the *Buildings of England*, founded by Sir Nikolaus Pevsner, and crammed with riveting data.

County records offices hold family, estate and church documents that may help the hunt. You could also try to see parish registers. In a small village with a low turnover in baptisms, marriages and funerals, they



The junction of Market Street and Bradshawgate, Leigh, Greater Manchester, in 1870. The same corner in 1980



And again in 1987. The three photographs, from the National Monuments Record, provide an insight into England's changing streetscape

A history of home

Gerald Cadogan on how to find out more about the house you live in

may go back 150 years or more.

The National Monuments Record is worth visiting both for its records and as a shrine to the railway age.

It occupies the former head office of the Great Western Railway. The stairs have non-slip wooden treads, as the carriages did, the iron roof girders are shaped like rails, and the search room (once the drawing office) is like being up in the roof of a train shed.

A state-of-the-art cool-box keeps records at between 8°C and 18°C. Several times a day, staff enter the archive to retrieve documents, which then spend from three hours to overnight in acclimatising chambers to bring them slowly up to normal temperatures. After study, they are

cooled before going back into store. This procedure matters most for preserving negatives and glass plates (which cannot give crisp prints) for future generations.

Aerial shots reveal unsuspected field systems and medieval villages

In its records, the NMR has:

■ A library of 32,000 volumes, including many journals, details of all listed buildings and English Heritage's register of main parks

and gardens. About 1m prints are easily accessible, including oblique air photographs. I found a ground view of my house in 1949 and several shots from the 1980s.

■ Plans, technical notes (such as the building history of the local manor house), sale catalogues and maps, with many Ordnance Survey maps of all periods, including the 6in and 25in series.

■ RAF vertical air photographs of the 1940s and 1960s for the UK, which show England after the war – and before a lot of redevelopment had taken place. Among other aerial shots are those from recent dry summers which reveal unsuspected field systems, medieval villages and Roman villas.

■ A computerised system called Monarch for recent

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■ The architectural negotiations of *Country Life* magazine, from the 1850s until the 1950s. If your house was featured, get in touch. The NMR probably has more pictures than those published in the magazine.

■ NMR, Swindon tel: 01793 414600, fax 414606; London 0171 203 8200, fax 224 5333. Internet: <http://www.rchme.gov.uk>.

The NMR hopes, with English Heritage to make a digitised national database of listed buildings. In the meantime, it faxes listing particulars, makes prints from its negatives for a reasonable price and welcomes inquiries. Besides Swindon, it has a London search room at 35 Blandford Street, W1.

■ Appointing project managers is standard practice with corporate clients but still rare with private ones. Yet they can remove difficulties for the client and ensure that work is done on time and to standard. APS (0171 815 0626), has now opened a

With the flat racing season over for the year and hunting and steeplechasing in full swing, three horse properties of interest have come on to the market.

Gazon, in Normandy, is a well-known stud farm between Falaise and Argentan, with 57 loose boxes, a lunging ring and outdoor arena, and 239 acres.

The house is an 18th century manor, with 10 bedrooms.

The stable yard has been made into a conference centre with 11 more bedrooms. The agent is Wiltshire-based Christopher Stephenson International (01672 521155) which asks £75,000.

On Exmoor, in Somerset,

the six-bedroomed North Wheddon Farm at Wheddon Cross dates from around 1840. It has 12 loose boxes, with 10 acres of paddocks – ideal for local fox and stag hunting.

The price from Phillips (01994 632040) is £302,500.

Savills (01223 322655) is selling owner-breeder Bill Gredley's Stetchworth Park and its stud, near Newmarket. It has 50 loose boxes and 71 acres of paddocks.

In the grounds are a brick and flint gazebo and a restored ice house, while the property has its own borehole for water, and tanks for 12,000 gallons of fuel oil and 6,000 gallons of petrol, plus a generator system.

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private clients division. APS charges between 7.5 and 12.5 per cent of the billings.

If that seems a hefty overhead, it points out that it commissions the sub-contractors directly, so that the customer pays only their price plus APS's commission, cutting out the usual commission for the main contractor.

■ A lovely frivoly is for sale in Lower Swith, near Stow-on-the-Wold, in Gloucestershire. Pineapple Spa – which, in spite of its name, never flourished as a spa – is a cottage dating from 1807 with an enticing blend of Indian and Georgian Gothic architectural motifs, and an underground spring.

Its architect is Samuel Pepys Cockerell, brother of the more famous Charles Cockerell.

Samuel also designed nearby Sezincote in a similar style – a glorious Anglo-Indian house which looks forward to the Royal Pavilion in Brighton.

Pineapple Spa, with three bedrooms, costs £145,000 from Butlers Sherburn (01451 830731).

■ Whether running a vineyard in East Sussex counts as frivolous or a serious business, I do not know.

But there is no doubt that a guide price of £1.5m (Knight Frank, 01892 515035), and 20 acres of vineyards supporting 21,500 vines, are serious. The house goes back to the 17th century but has an 1862 front.

There is also a tithe barn, dating from the 11th century, and a 10-year-old winery, with stainless steel and polypropylene tanks. St George's often manages to escape damaging spring frosts.

Gerald Cadogan

Gardening

Back to bright borders

Now is the time to plant red, yellow and magenta, says Robin Lane Fox

The weather has been swinging, in all directions, but I have been using the calmer intervals to make an early start. November may seem like the worst moment to begin anything, but we have to adapt and change our habits as required, especially since recent spring and summer seasons have proved to be so dry.

It is a good idea to start moving trees, border plants and next year's shrubs before Christmas, giving them the extra three months to make roots when the ground is still soft. Trees in particular, if planted early, are less demanding of water during the summer period.

My first moves in the garden attach to the fashion for brightly coloured borders brought about in the past three years by many books advocating greater vibrancy. The 1980s was one of the decades of pastels and washed-out pinks and whites. Recent books, such as Tony Lord's *Best Borders* and Andrew Lawson's *Gardener's Book of Colour*, have taken a very different course. They have given ample space to brightly coloured photographs which at one time would have been dismissed as a riot. Red, yellow and magenta are back and I hope that new gardeners will give them particular attention as they start to lay their plans this month.

Naturally, old hands will see nothing particularly new in this fashion. In the 1980s, big borders were often laid out in combined reds and yellows, as can still be seen at Blickling Hall in Norfolk or at Sissinghurst in the South Cottage Garden, well known for its combination of red and yellow. Strong colours were always around, but people shied away from them.

The pastel era – from 1980 to 1990 – will go down in gardening history as a curi-

ous phase, and serves to dismiss the belief that nothing has ever changed in the English garden since 1900.

I have always liked clear reds and appropriate combinations of yellow and orange, including a dash of white to set off their relationship. The colour mix always looks better in full sun.

There are a number of ways gardeners can now liven things up in their borders. The tall, red-flowered Curtonis is a glorified form, a state-of-the-art cool-box, keeps records at between 8°C and 18°C. Several times a day, staff enter the archive to retrieve documents, which then spend from three hours to overnight in acclimatising chambers to bring them slowly up to normal temperatures. After study, they are

cooled before going back into store. This procedure matters most for preserving negatives and glass plates (which cannot give crisp prints) for future generations.

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Gerald Cadogan



uncommon but is outstandingly beautiful, worth the extra expense if you use the Plant Finder to run it to ground. Its hanging flowers of dark scarlet are particularly clear and long-lasting.

Among the yellows, I have at least given in to that old, simper, Golden Rod. Actually, this rod is not so much golden as pale lemon-yellow and I now realise that this form, Solidago Lemone, is as pleasant and harmonious as its big, stale relation is ugly. It makes a cloud of flower about 2ft high in blocks in the front row, an admirable foil for the spreading potentilla.

In the middle ranks, I have now doubled up on the pale yellow types of *Anthemis* which are such excellent value on dry soil. The tall Wargrave variety has always been my favourite, especially if it is properly dead-headed, but the cream-white *Anthemis Tinctoria Alba* is a softer and shorter companion, a lovely show of cream-white daisies on better soil which suits others in the family, worth passing on, still to be proved correct.

I am mixing in the unjustly unpopular Hypericum Elstead for the sake of its small fluffy yellow flowers and irresistible red fruits, one of my favourite shrubs which is usually banished to a poor soil and site where it performs badly.

Beginning in November, this reshuffle is already well ahead, except for the *Anthemis* and *Helianthus* which move more easily in the spring.

In June, I always have a few individual plants of the brilliant scarlet *Lychis Chalcedonica* to hand, because it contrasts so brilliantly with the fresh greens of early June and is so vivid that one plant at intervals goes a very long way indeed. As soon as this has flowered, I cut it ruthlessly and leave the show to tall *Crocosmia Lucifer* in front.

This year, I have added a few clumps of the tiny, leafless autumn-flowering *Morrison* which is still

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Living Room 28'4 x 18'6

OUTDOORS

Apart from building igloos, snow has few uses, really, except that it is fun to slide on and looks pretty on mountain-tops. And until the Scandinavians invented downhill skiing, making snow sexy, it was regarded by many as a nuisance.

Today, skiing is the universal language of the mountains, and on January 1 1994, I set out with the late Lucy Dicker, to meet skiers from 13 countries and experience their slopes during an unbroken period of 888 days in the Financial Times Round The World Ski Expedition.

There were 100 moments during this year of skiing which for us seemed to underline the passion and commitment that people around the globe have for this exhilarating but eccentric sport.

After savouring the joys of Colorado, Lucy and I were not expecting too much from the skiing east of the Mississippi, where we would ski through bible-beat and banana-beat resorts. Wisconsin seemed to confirm our fears, but even that state, with hindsight, seemed like the Trois Vallées compared with what was to follow.

Arriving at Wisconsin's Mount La Crosse, we found folksy and friendly people waiting to greet us. But we had skied their 17 fairly short runs within an hour.

As we moved into Illinois, Indiana, Kentucky, Tennessee and Alabama, we were ready for a laugh at the expense of resorts such as Cloudmont, Ober Gatlinburg and Ski Butler. After all, when you have just visited the cream of the Rockies, the statistics of the resorts of America's deep south prompt a smile - Cloudmont: vertical drop 150ft; skiing terrain: two 1,000ft-long slopes; lift capacity per hour: 800; average annual snowfall: 12ins.

Ski Butler (vertical drop 300ft) and Ober Gatlinburg (600ft) looked slightly more encouraging, with seven trails apiece. And here again, the friendliness and dedication of the locals wiped away our dismissive grins and blunted any potential gibe.

Our hearts went out in particular to Cloudmont, which is essentially a field with a lift or two. Yet, as Alabama's only ski hill, it attracts hundreds of people at weekends and has an excellent selection of rental skis.

They also have some good skiing stories, of course. The owner, Jack Jones and his son Gary, who makes all the snow, like to recall the telephone inquiry about a skier anxious to know what the snow conditions were like on the roads approaching the resort. "Sir," said Jones with



Facing the demons inside: after Lucy Dicker's death, Arnie Wilson felt closer to her in the snows of the Andes than he did sitting in despair in a London flat

Skiing

Joy, then tears, in the snow

Arnie Wilson learned much on his year-long expedition - and from the tragedy that followed

glee, "we don't make any snow on the roads."

Very occasionally, it does snow real snow in Alabama. The year before our visit, a freak blizzard had blocked the roads. "For the first time in living memory we had real snow in the resort - but people couldn't get up here to ski it," Jones said.

In India we felt like creatures from another planet with our designer ski-suits, and state-of-the-art ski watches, as we made our daily trek to the snow. Each day we passed an extraordinary sight: hundreds of tourists from the south of the sub-continent teeming up the shushy slopes of the foothills 20 miles north of Manali, in Himachal Pradesh, to play in the snow.

The precarious, avalanche-prone mountain pass, with hairpin bends and precipitous drops,

led towards the Rohtang Glacier, the area which we were supposed to ski but never managed to get to because it was blocked with snow.

The road was dotted with huts where you could hire imitation fur coats, gloves and red boots in order to scramble up the piles of snow at the side of the road and then slither down again. They were all at it - mothers and grandmothers in saris, children, fathers and grandfathers - many of them seeing and touching snow for the first time.

What they thought of us as we disappeared over the edge of ravines (there were no ski lifts available) we will never know. But one thing is certain, like us they were getting supreme pleasure from sliding on snow.

Lucy was relieved to reach Japan, where everything works,

but where they tend to take things to extremes. Even in the Tokyo SkiDome - more of a mountain than Cloudmont, Alabama - they were terribly earnest about safety measures on their two high-speed quad chairs, buzzing around us and insisting that we lowered the safety bars for our tiny toy-town ride to the top of the slope.

At Goryu Toomi in the picturesque Hakuba Valley, close to the venue for the Men's Downhill in the 1998 Nagano winter Olympics, we had the privilege of staying in the Japanese equivalent of a pension, where we were entertained and fed by a handsome Japanese couple, the Noguchis.

The couple were a treat to be with and their hearty Japanese

breakfasts fuelled our skiing in torrential rain on the local slopes.

It all felt different in South America, where Lucy was to enjoy what for her would be the spiritual highlights of our adventure. Our nine weeks in Chile and Argentina, the only continent in which neither of us had ever skied before, turned out to be the most haunting and reflective of our trip.

The Argentines were friendly, curious and garrulous. But it was the quieter, more dignified Chileans who stole Lucy's heart. And it was their side of the Andes, dotted with ski resorts built on the flanks of volcanoes, which enthralled us most.

Lucy, a staunch Anglophile, would say: "The Argentines are more like the Latins and the Chileans are more reserved, like the Anglo-Saxons."

We could not resist making comparisons in Australasia, too.

We spent another nine weeks there and gradually felt we could differentiate between the Australian and New Zealand psyche.

On the slopes we found the Kiwis warm but the Australians even warmer. New Zealanders, we found, shared the reserve of the British; the Australians, far from having an inferiority complex about slopes inferior to the New Zealand Alps, seem to relish their skiing more and attack the slopes with great gusto if less skill.

And so Lucy and I skied, drove and flew our way back to Summit County, Colorado, for an outrageous final day of festivities with our expedition sponsors, and then on to Jackson Hole, Wyoming, where the odyssey had

begun 365 days earlier.

Some 240 resorts later, we had flown almost 75,000 miles and skied not only round the world, but with the world and his wife. What had we learned of the skiers' world?

We learned that there are very few fortunes to be made from skiing. Few can expect to buy or run a ski resort to make money. Equally, I suspect the proportion of genuinely "nice" people in the ski business is higher than in most industries.

When Lucy was asked about the highlights of our trip she would always say: "The kindness of the people who welcomed us around the world."

When Lucy died, no fewer than 300 of those people wrote to me to commiserate. Lucy's sudden and cruel death, following a collision with another skier, my friend Peter Hardy, in the steep Coulou des Trifles in the fearsome but awe-inspiring ski area of La Grave, was utterly shattering. Skiing is my passion, but suddenly I dreaded the mountains because of what they had done to the woman I loved.

I had to face up to the fact that no matter which resort I visited around the world, I had been there before with Lucy. When I did venture back on to the snow for the first time, six months after Lucy's death, it was in La Parva, Chile, one of Lucy's favourites. Oddly, I felt a mixture of comfort and poignancy.

Even though there was not a run, lift or a restaurant I had not visited with Lucy, it felt strangely good to be back. Facing the demons inside seemed to make them weaken. But the magic was still there, and I felt closer to Lucy in the snows of the Andes than sitting in despair in a London flat.

Since that day, I have re-visited all 13 countries that Lucy and I skied in during 1994, and revisited in 50 of the 240 resorts. I do not ski couloirs (steep gorges) any more - as Lucy's death proved, skiing is dangerous enough without looking for trouble.

But I still find deep powder irresistible. I will not spend the rest of my life skiing blue runs - the thrill and the danger are inseparable.

Whatever the magic is, skiing is a sport I plan to stay in. I like the people, and I hope to die, like Lucy, with my ski boots well and truly on.

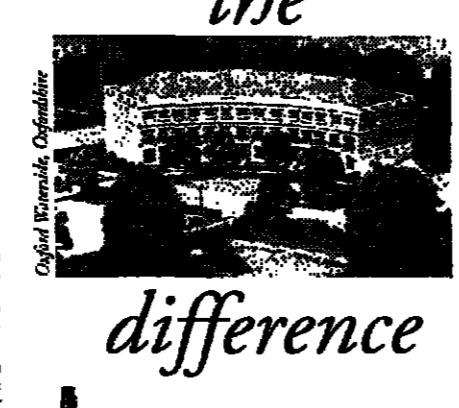
■ Tears In The Snow, Arnie Wilson's account of his record-breaking global ski trip with Lucy Dicker, written with William Hall, is published by Blake on December 4, price £15.99.

LONDON PROPERTY

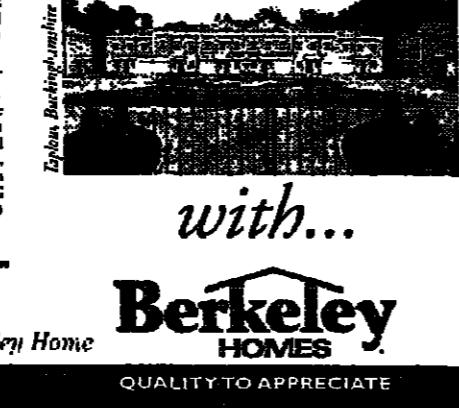
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SPORT / MOTORING

Rugby Union

Italy hopes to join the big boys

...And why not, argues Huw Richards

Patience is not normally regarded as an integral element in the Italian psyche. But if it has become essential to Italian rugby players, as cherished ambitions remain unfulfilled.

It was predicted that England's captain for today's meeting with Italy would have a mildly outlandish name. That it should be Philip Rannaph De Gianville, whose name could have been mentioned in dispatches by William the Conqueror without occasioning comment, is a setback for Lawrence Bruno Nero Dallaglio, who sounds as though he should be playing for the other side.

Dallaglio's Italian ancestry is so recent that he had to take precautions against being called up for national service when his club Wasps played their European Cup tie in Milan.

Starting as England captain against the land of his father would have been appropriate. But, at 24, he has every reason to hope that his ambition has been deferred rather than thwarted.

His opponents today have similar hopes of the medium-term. Italy's visit to Twickenham is the second of a series of games against all four British nations, spread over three months and aimed at proving their right to annual fixtures against the British quartet and France, turning their Five Nations Championship into a Six Nations.

Italy's admission would

acknowledge international Rugby Union's third age of expansion, altering patterns unchanged since before the first world war when France, Australia, New Zealand and South Africa joined the original British quartet.

Argentina and Romania hinted at a serious challenge in the 1970s, but the real stimulus has come from the first three World Cups, starting in 1987.

The new globalised rugby world can stand as well as give to hopeful nations. The great of the three big southern hemisphere unions in excluding the Pacific Islands from their lucrative Super 12 competition serves as a reminder that the game's reality often falls short of its cherished rhetoric.

The British unions, until recently, showed next to no interest in helping aspiring continental European nations.

A further factor in the islanders' exclusion was that they are small, impoverished nations. You cannot sell much television advertising in Tonga or Fiji. No such problems for wealthy, populous Italy. But there are more than commercial reasons behind the claim that Italy are the most convincing new contenders for full membership of rugby union's big league.

It has taken time to build that status. Italy's first international was a 9-0 defeat by Spain in 1929, and it was one of the beneficiaries of France's enforced turning to Europe in the 1980s after expulsion from the Five Nations

first World Cup attempts.



Dallaglio (foreground); his hopes of captaincy may have been deferred rather than thwarted

AP/Wide

because of breaches of the amateur rules. Those rules came under examination again in the 1980s as thinly veiled payments to players in the Italian league attracted Antipodean stars such as Andy Hadon, the New Zealand lock forward, and Roger Gould, the Australian full-back.

Each World Cup has seen progress. Failure to qualify for the quarter-finals last year in South Africa was greeted as a disappointment, rather than the near-inevitability it had been on the first two occasions. But top-class competition will have to come more than once every four years if the breakthrough is to be made, and the Italians are bidding for Five Nations status, hoping with each match to build their credentials.

Beating Ireland 22-12 at Treviso, just before the last World Cup, was an important step. So was a 29-17 victory over a full Scotland team, in all but name, at Bari in January. Australia may have won 40-16 in Padua last month, but Italy gave them a great deal of trouble. Visiting coach Greg Smith said then:

"Italy are good enough to be in the Five Nations. They're fresh, keen and have ability. They would definitely improve with regular competition."

Michael Lynagh, the former Australian captain, who spent three years with top Italian club Benetton Treviso, agrees: "They've got the stadia and the infrastructure and would draw good crowds."

He acknowledges that their case would be strengthened if the Milan-Treviso club duopoly received tougher competition - Rovigo, traditional third contender, have struggled recently.

But he has no doubts that a fresh generation - players such as half-back Alexander Troncon and flanker Carlo Chiechiatto - is coming through to succeed veterans such as the Cuttitta brothers, who sustained them through

their first World Cup attempts. Italy would be unlikely to win the championship, or perhaps that many matches, in their first few years. But slow starts are no proof of unsuitability. France won only 12 of its first 75 Five Nations matches. Australia took more than 70 years to start consistently threatening the very best.

Selbstbelieve makes an enormous difference in close contests and

Italy are still lacking in this. Two narrow defeats by Wales in the last two seasons might easily have been victories. They have yet to beat France in 18 meetings. But regular competition and equal status could rapidly counteract this weakness.

Italy could hardly be much less competitive than Wales (13 wins in 40 matches) and Ireland (10 wins) have been in the last 10 years, or England (11 wins) were

in the 1970s or Scotland (9 wins) in the 1960s.

Games against Italy might initially lack the mystique of the ancient Five Nations rivalries. But so, once, did matches against France. Fans would relish their trips to Rome, Milan and Padua. So, doubtless, would Lawrence Dallaglio. His time may come, perhaps around the millennium. Italy's should come, and possibly sooner.

The success last weekend of Todd Woodbridge and Mark Woodforde in the ATP Tour World Doubles Championship in Hartford, Connecticut, capped a glorious season for the popular Australians.

Having captured a fourth consecutive title at Wimbledon in July, they went on to strike Olympic gold in Atlanta and then won a second successive victory at the US Open. With this latest success they have each carried their 1996 earnings just past the \$1m mark.

No question, the Woodies are a great doubles team. And in an age of increasing specialisation, they are also good enough in singles (Woodforde is ranked 27, Woodbridge 38) to pose a threat to any of the higher ranked men.

Sadly, the reverse is not true. Few of the top 10 singles players take doubles seriously. Apart from Yevgeny Kafelnikov, only two members of that select group are ranked among the top 150 in doubles - Goran Ivanisevic (60) and Wayne Ferreira (101).

Why, you may ask, is Kafelnikov, the singles and doubles champion at the French Open

(and the first double winner in Paris since Ken Rosewall in 1968), the only man to rank among the top 10 in both singles (9) and doubles (5)?

The answer is complex. Dispersion in prize money, endorsement income, the media's obsession with singles success, increasing strength in depth among the men, the ambition of coaches, the protective nature of managers - these are some of the reasons.

Why should Pete Sampras, for instance, already a multi-millionaire, bother to play doubles when he might be scheduled for a late evening match the night before an important singles?

The way things are at present, he does not have to. Yet professional tennis is part of the entertainment business and the spectators, most of whom enjoy watching doubles because they play more doubles than singles themselves, are surely entitled to

be entertained by the best players in both disciplines.

Who will ever forget John McEnroe and Michael Stich's victory at Wimbledon in 1992, that joyous conclusion to the 36-game final set on a festive Court No.1 on the third Monday? That was entertainment. It was also the first time since McEnroe and Fleming's fourth victory in 1984 that a singles champion had appeared in a men's doubles final.

There is a simple solution to this problem. If there was only one ranking list combining singles and doubles points then players would be forced to play doubles or risk a drop in ranking - and ultimately put their direct acceptance at tournaments in jeopardy.

Although privately Mark Miles, chief executive officer of the ATP Tour, agrees with this suggestion, he is enough of a realist to

know that it would be political suicide to attempt to introduce such a system. Today's stars, accustomed to life as singles specialists, would revolt.

Oh for the days when everyone enjoyed playing doubles - and

What a debt the game owes to the Australian doubles players

even mixed. Was it really as long ago as 1952 that Frank Sedgeman won all three events at Wimbledon, four years after his first success, a doubles win with the great John Bromwich? In memory it seems like yesterday.

I can see the handsome Sedgeman now, a curly-haired, fleet-footed Australian volleyballer from all parts of the court as first he beat Jaroslav Drobný on the Friday - the men's final was then always on a Friday - then, on the Saturday, teaming with the lanky Ken McGregor to inflict a straight sets defeat on Vic Seixas and Eric Sturges. After the ladies' doubles he was back on court again with Doris Hart to engineer the defeat of the tall Argentine, Enrique Moreira, and his Aussie partner, Thelma Long. After all that, Sedgeman still looked fresh enough to have played another five sets.

What a debt the game owes to the Australians who have produced some marvellous doubles players over the years. Remember the 18-year-old "twins" Lew Hoad and Ken Rosewall winning the first of their two titles in 1938? A wonderful performance for Coronation year.

Then, a year later, Rex Hartwig and Mervyn Rose reminding us that a left-hander playing with a right-hander was perhaps the ideal combination, a principle underlined twice by Roy Emerson and Neale Fraser, five times by John Newcombe and Tony Roche, and once by Emerson and Rod Laver.

The next great Aussie doubles experts were the Supermacs, who restored the joy to men's doubles in the early 1980s after it had been through a lean period. The words of Macbeth's witches might have been penned specially for them: "Double, double, toil and trouble; Fire burn and cauldron bubble" perfectly

described Peter McNamara and Paul McNamee.

The fiery thrusts of the elegant McNamara from the right court and the bubbling energy of his dynamic partner McNamee, who

bounced around the court on India rubber legs, quelled the top Americans Bob Lutz and Stan Smith in 1980 and their compatriots, reigning champions Fleming and McNamee, in 1982.

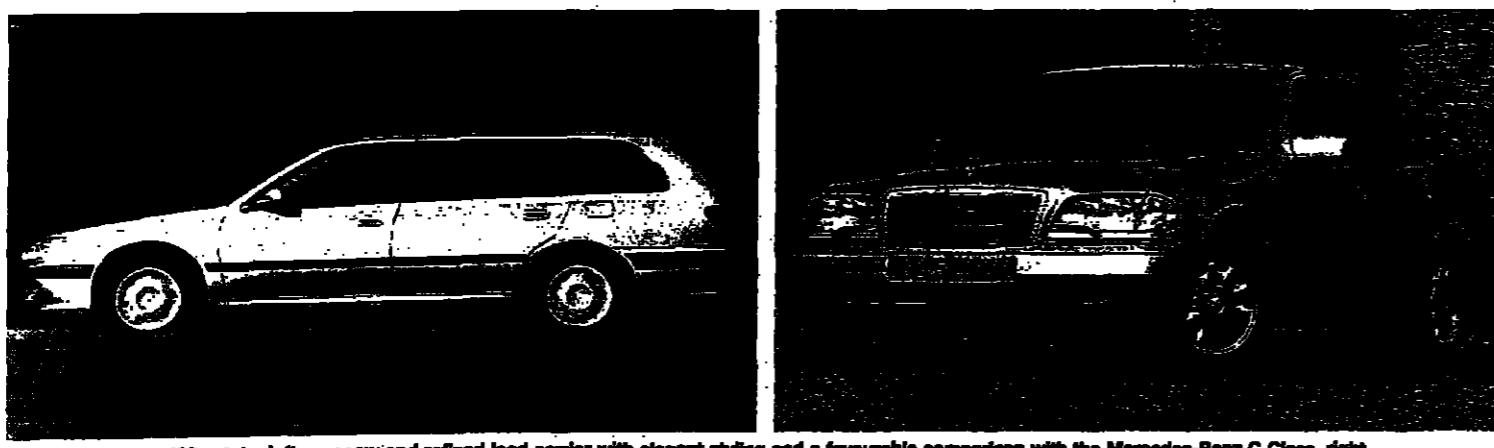
After a serious knee injury in 1983 effectively ended his career when he had just broken into the top 10, McNamee took up coaching. He now lives in England and guides the fortunes of Australia's latest hope, Marc "The Scud" Philippoussis, the man with the fearsome serve.

McNamee cut his promotional teeth on the Hopman Cup, named after Australia's most successful ever Davis Cup captain, Harry Hopman, who helped him to change his weak single-handed backhand into a formidable double-handed shot. McNamee now fills the role of tournament director at the Australian Open.

"Last year we set new TV ratings records on Channel 7, up 50 per cent in prime time. We had 1,400 members of the media at the '96 Open and created \$10m worth of economic impact for Melbourne and Australia. Hop would have loved all that," he said. Which proves that there is life after doubles.

Tennis / John Barrett

Hotshots who don't like doubles



The new Peugeot 406 estate, left: a roomy and refined load carrier with elegant styling and a favourable comparison with the Mercedes-Benz C Class, right

Motoring

Scenic route for car of the year

European Car of the Year 1997 is, as I forecast two weeks ago, the Renault Mégane Scénic. Second was Ford's Ka and the runners-up were Volkswagen Passat, Skoda Octavia and Audi A3.

Scénic will clearly be a trend-setter. A compact MPV (multipurpose vehicle), it will be popular with families who neither need nor can afford a bulky seven-seater. Small/medium in size, it offers the space of a much larger car with lower running costs. It goes on sale in Britain early next year.

The Ford Ka is a brilliant repackaging of Fiesta components. It breaks new ground mechanically and is powered by one of Ford's oldest engines. But its styling is head-turning and it will be the first Ford in years to attract more retail buyers than fleet customers.

The VW Passat offers Audi A4 performance and refinement at lower cost. Right-hand drive models for

Britain were due in February but will not now be available until April.

The Skoda Octavia and Audi A3 are very closely related under the sheet metal and share the same power trains and suspensions.

A3 is on sale in Britain now; the Octavia in early 1998.

As motor trade guru Arnie Fenn was saying (in this column, last week), medium-sized and priced cars are now so good there seems little point in going upmarket except for reasons of personal prestige. A few days later, while driving the Peugeot 406 estate and V6-engined 406 saloon in the Loire valley, I thought how right Fenn - editor of the trade bible, *Glass's Guide* - had been.

When it was introduced earlier this year, the 406 set a new class standard for ride and handling. It is now very close by the latest Ford Mondeo, new VW Passat, Nissan Primera, Vauxhall

(Opel) Vectra and the three-year-old Citroën Xantia. But adding 3.0-litre V6s makes the 406's appeal even greater.

First, the 406 estate. It looks almost as elegant as a Xantia estate and is as spacious as the disagreeably bulbous-backed Renault Laguna estate. The 406 estate is a few inches longer than the saloon. Its flat load floor is almost 3ft 11in (117cm) wide (at 2in/6.5cm from the wheel arches) and 4ft (112cm) long, extending to 6ft (182cm) when the back seat is folded. There are seven-seat family versions.

French roads have become so good that poor surfaces are difficult to find. But on a rough by-way, the 406 estates rode with the saloon's gentle shock-absorbency and freedom from excess tyre noise and handled with the same nimble precision. All were totally tranquil at the autoroute's 130kph/81mph limit.

Standard transmission is

five-speed manual; a new four-speed automatic will be offered, but only with petrol engines, which is a pity. The 110 horsepower, 2.1-litre turbo-diesel used in the 406 also powers two-pedal versions of the Citroën XM.

The automatic transmission, developed by ZF of Germany to Peugeot-Citroën specifications, is controlled by clever electronics.

They first detect and

then adapt to differing driving styles, vehicle loads and road conditions. In practice, it works so well it makes one wonder how much longer it will be before Europe follows the example of the US and Japan, where automatics are the norm.

Peugeot and Renault developed the new 3.0-litre V6 engine, which is making its first appearance in the 406. Later it will power flagship versions of the Citroën Xantia and Renault Laguna as well as larger cars and MPVs made by both groups.

Even by the high standard of V6s, this new, all-light alloy 24-valve engine is unusually smooth. It develops 194 horsepower and has so much pulling power from only 2,000rpm that, once away from town traffic, the manual V6 406 saloon I drove could be treated almost as a one-gear car. But this most luxurious 406, with its power-adjusted leather seats and standard air conditioning, cries out for the sheer convenience of automatic transmission. It would then stand comparison with any of the premium priced executive cars.

The new electronically controlled automatic transmission will be offered in the 2.0-litre 406 saloon from next month; V6-powered saloons arrive in January. Prices of the 406 estates are expected to be from £21,500 for a 1.8-litre 16-valve model to £22,000 plus for an automatic V6.

All 406 estates have twin airbags, roof rails and most have screenwipers that adjust speed automatically.

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BOOKS

The authors of this important book are psychiatrists who are rightly dissatisfied with our current classification of so-called "mental illnesses".

Brain disease, of which Alzheimer's and Creutzfeldt-Jakob's disease are examples, conform to the conventional "medical model". Brain cells atrophy or are destroyed by an infective agent, thus causing mental symptoms, just as liver cells are damaged by alcohol or cancer so causing symptoms of liver deficiency.

But the major forms of mental illness are not so easily pigeonholed. Manic-depressive illness, for example, is strongly determined by heredity, and, in its extreme forms, can and should be deemed an illness which demands psychiatric treatment. However, the borderline between health and illness is blurred, because everyone becomes depressed when assailed by failure or bereavement; and many become euphoric when unexpectedly

successful or lucky. Both these responses can be seen as adaptive if viewed from the perspective of evolutionary theory.

The same is true of schizophrenia. The genetic factor is clearly established as a determinant, and some brain abnormalities have been discovered. But schizophrenics have a much lower fertility rate than average, so one would expect the disorder to die out. Instead, schizophrenia persists all over the world in much the same form irrespective of cultural differences, and shows no sign of disappearing.

The authors boldly suggest that, although full-blown schizophrenia is an appalling and tragic condition, it may be an exaggerated form of a genetically determined human variant which carries adaptive

advantages. As in the case of manic-depression, there is a continuum between illness and normality ranging from psychosis to the so-called "schizoid" personality, manifesting itself in more than mild eccentricity.

Many more people have some "schizophrenic" symptoms than generally realised. Delusions, hallucinations, out-of-body experiences, and distorted thinking occur in "normal" people. The relatives of schizophrenic patients show a greater degree of originality than the average, because their thinking is less conventional, more wide-ranging, more governed by unexpected associations. What becomes incomprehensible "thought disorder" in schizophrenic patients may have the same genetic roots as creative

EVOLUTIONARY PSYCHIATRY: A NEW BEGINNING
by Anthony Stevens and John Price
Routledge £15, 267 pages

thinking in those who do not break down.

Schizophrenia may be the price the human species pays for being original, flexible, and inventive. Although the authors do not mention this, it may also be connected with the development of language and the differentiation of the two halves of the brain consequent upon this. There is evidence that schizophrenia is associated with abnormal differentiation between the two hemispheres of the brain, as are mixed-handedness and dyslexia.

So manic-depressive illness and schizophrenia, the two major types of mental illness, can be regarded as grossly exaggerated and distorted forms of human reactions which originally served positive functions. This puts them in an entirely different category from Alzheimer's or Creutzfeldt-Jakob's disease, which have no redeeming features, and no connection with normal personality.

Both authors of this original, provocative, fascinating book were influenced by the great ethologist, Niko Tinbergen. They also acknowledge a debt to John Bowlby, whose updating of psychoanalytic theory was based upon the ethological studies of Tinbergen, Konrad Lorenz, and Robert Hinde.

Modern psychiatric diagnostic categories are quite inadequate.

For example, serial killers like Dennis Nilsen and Jeffrey Dahmer, whose behaviour demonstrates that they are as far from being normal human beings as one can get, were both deemed sane at their trials.

Stevens and Price are attempting a new and better classification by tracing the basic patterns of human psychosocial behaviour back to their biological roots, and then attempting to show how such originally adaptive patterns can become exaggerated or distorted. This approach promises a new and more fruitful understanding of the peculiarities of human behaviour than the medical model. Many male animals engage in ritual contests during the mating season. The winners gain access to several females.

The authors classify some human male sexual disorders as an expression of defeat in dominance struggles. The losers turn away from females to substitute gratifications because they have opted out of male competition. It has often been observed that many such males are, understandably, depressed.

This interpretation allows for the probability that, genetically speaking, some males may be born losers because they lack the genes needed for dominance. It also makes sense of that curious variety of human behaviour known as sadomasochism, which is so ubiquitous that the bulk of pornography is devoted to it.

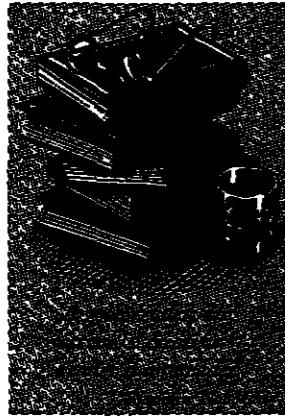
The authors modestly claim that their book is no more than a first effort to define the basic components of human behaviour and its disorders in terms of evolutionary biology. They realise that they will provoke disagreement from conventional psychiatrists and psychoanalysts. In my view, this attempt at a new paradigm is one of the most fruitful developments in psychiatry in recent years.

Rereadings/Mark Archer

Longest kiss in literature

Yukio Mishima, the 20th-century Japanese novelist, is probably best known for his death. On November 25, 1970, aged 45 and at the height of his fame, he astonished the world by committing ritual suicide, or hara-kiri, by disembowelment.

Mishima's reputation has been served as badly by his defenders as by his detractors. Critics tend to dismiss him for his right-wing views and his bodybuilding fanaticism. Admirers tend to overlook the fact that his diverse literary output is extremely uneven in quality. His works include 15 novels (many of which have been made into films), 33 plays, two travel books, numerous essays and countless short-stories.



Assessing Mishima's literary merit is unusually difficult.

If there is a single Mishima work which repays rereading, however, it is *Spring Snow*, the first of the quartet of novels entitled *The Sea of Fertility* which Mishima completed the morning before his death. The writing tails off bodily in the subsequent stories, as abstract ideas overrule the flimsiest of plots. But *Spring Snow* is a jewel of a novel, in which philosophy and poetry, idea and action, fuse together magnificently.

Spring Snow contains the best, and certainly the longest, kiss in literature. In the single Penguin edition it lasts almost three pages, as the hero Kiyoshi and his lover Satoko find themselves finally alone in a rickshaw pulled by runners through the snow. Caught up in a love affair which both know is doomed, their kiss enacts the novel's principal theme, an experience – like spring snow – made beautiful by the awareness of its transience: "The moment when a kiss ends – it was like awakening reluctantly from sleep, struggling drowsily against the glare of the morning sun as it struck their eyelids, as they yearned to hold on to the fragment of unconsciousness left to them. That is the moment when sleep is sweet."

Mishima knew his western authors, and while one can detect the psychological realism of Proust, Gide and



"There is a strange beauty in Death's singular reliability as a keeper of secrets," writes Dan Koontz in "Beautiful Death: Art of the Cemetery" (Penguin £20), a collection of photographs by David Robinson. Pictured, a child's grave in Genoa.

For the good of all

Unequal distribution of wealth and power is society's most serious problem; but the author remains optimistic, writes A.C. Grayling

Plate was neither the first to describe The Good Society, nor the first to do so in impractical, because Utopian, terms. John Kenneth Galbraith, America's liberal conscience for half a century and the tutelary spirit of the Kennedy and Johnson administrations, has seen enough to eschew Utopianism. "This book," he commences, "tells of the good society that is the achievable society."

Two claims underlie Galbraith's argument. One is that economic and social change is driven not by ideology but by history. The other is that the great divide in our times is between rich and poor, not capital and labour. Understanding this, he says, helps one see practical ways of constructing a society good not just for the fortunate, but for all.

The argument for the first claim is that although conservatives attribute the growth of government to liberal policies (America's "liberalism" is Europe's "socialism"), that growth has in fact been driven by historical necessity.

In rural economies unemployment is always low, and consumers need little protection where products are few and simple. Urban industrial society is different. It breeds unemployment, and its technological developments prompt new needs, such as consumer protection and medical insurance. Foreign and military affairs increase in importance. All this

is government. History thus dictates; attempts to construct a good society must accept its sovereignty.

The claim about the new divide is equally significant. Ownership and control of capital now diverge, the latter resting with corporate bureaucracies. Political power is no longer the prerogative of capital; many others, for example the professional classes, have their say. In seeking economic policies that ensure the provision of goods and services in a socially acceptable manner, these facts must be faced.

But not everyone is able or willing to participate. No civilised society can tolerate starvation and homelessness; so there must be a safety net, financed out of taxation based on ability to pay.

Stable growth involves combatting recessions. The standard methods for this are tax cuts, interest rate cuts, or increased government expenditure, all aimed at maintaining aggregate demand.

But neither fiscal nor monetary

THE GOOD SOCIETY:
THE HUMANE AGENDA
by J.K. Galbraith
Sinclair-Stevenson £12.99,
152 pages

policy is invariably successful: tax cuts might leave money in pockets, which people choose not to spend; and demand is insensitive to interest rate levels.

The best method, says Galbraith, is to reduce unemployment by increasing government deficit. This, intelligently handled, stimulates earnings and tax receipts, and adds to public wealth by improving infrastructure, which generates further wealth in future.

The fear here is inflation. Many, says Galbraith, secretly prefer stagnation – which means price stability. The trade off lies between unemployment and inflation: the rich, who control the economy, are worse affected by the latter, so they prefer

Galbraith says the good society – where everyone has a chance, with equitable distribution of goods and services – should prefer employment, and therefore accept measures to combat inflation, such as wage restraint and fixed-income indexing.

For Galbraith the unequal distribution of wealth and power is society's most serious problem. We cannot expect equality, but can aim at fairness.

The market distributes wealth in highly inequitable and damaging ways, often with no social justification. For example: corporate bureaucrats set their own pay at inflated levels, guided only by what other bureaucrats do. So in addition to stockholder and public disapproval, society should intervene, by removing tax breaks and (re)introducing progressive taxation. The claim that this is a disincentive is false,

Galbraith argues: America's most flourishing economic period – after 1945 – had its highest-ever marginal tax rates.

There is much more in this sparely written, eloquent, humane book about the importance of education, international peace, the need to restrain military establishments, and the need for compassion towards the world's poor. Its agenda is familiar: many will dispute Galbraith's claim that it is realisable. But it is good to have the argument so well – and in parts so persuasively

T here are also a few suspicious cracks in the text I believe in "Foucault being called a ballerina absolute, but I do not believe in "the great leap to the stage" which marked Nureyev's first appearance at Covent Garden and "left the audience gasping". (His entry as Albrecht in *Giselle* was properly muted.) Elsewhere the cast – a seething horde worthy of D.W. Griffith – are neatly identified, as if Cowles were addressing a Mid-West women's club on "Famous People I Have Met". Evita Peron is fixed for us as "the blonde, rambunctious Argentinian". Jean Moulin is "truly unforgettable", and even Cecil Beaton is qualified as "chic".

It is all very, very wonderful indeed, and it has been a true privilege to pass so much time in such august company. And just think – "Luciano Pavarotti and Plácido Domingo learned quickly and gallantly how to bring opera show biz to the masses" – not only by their visceral performances on stage but with recordings galore. Who could have guessed that little artistic secret?

The final chapter in the volume is called "The Perils of Friendship". I now have an inkling of what this means.

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BOOKS

If modernism was invented in 1910 as Virginia Woolf suggested, then science surfaced 300 years earlier in or around 1610, when Galileo Galilei trained his telescope on the sun and observed it had spots. Steven Shapin takes this event as the starting point for his ambitious attempt to reduce the morass known as the scientific revolution to something like coherence. In recent years the quarrels and quibbles over the nature of this seismic upheaval in the way we view the world have been equalled only by the furores over the English revolution in the same period. The questions asked have ranged from basic – was it a revolution? What do we mean by science? – to abstruse.

Shapin regulates his discussion

Evolution of a new 'priesthood'

From Pythagoras onwards, Ann Geneva follows the emergence of the modern scientist

of the paradigm shift from an Aristotelian universe to a mechanical one with that favourite 17th-century mechanism, the clock. He cites Kepler's conversion in 1606 from the notion that the springs of planetary motion were in its soul to the conviction that the machine of the universe is similar to the workings of a clock, an analogy seized upon by many at the time. Indeed Shapin suggests that to follow the clock metaphor for nature throughout the culture of early modern Europe is to trace the main con-

tours of the new mechanical philosophy.

This world view, by dispatching any idea of the universe as divinely informed and ultimately mysterious, provided observers with the intellectual self-confidence to uncover its truths by combining the evidence of their senses with mathematics. Although the Pythagoreans had long ago reduced every known element to number, they also quantified abstractions such as honour and even marriage. Aristotle had insisted upon two

THE SCIENTIFIC REVOLUTION
by Steven Shapin
University of Chicago £16.99,
211 pages

sal law of gravity. Rather ironically this last was considered by some at the time as too animistic. As Shapin notes, Leibniz for example accused Newton of abusing the "prestige" of mathematics to reintroduce occult principles to a mechanical universe.

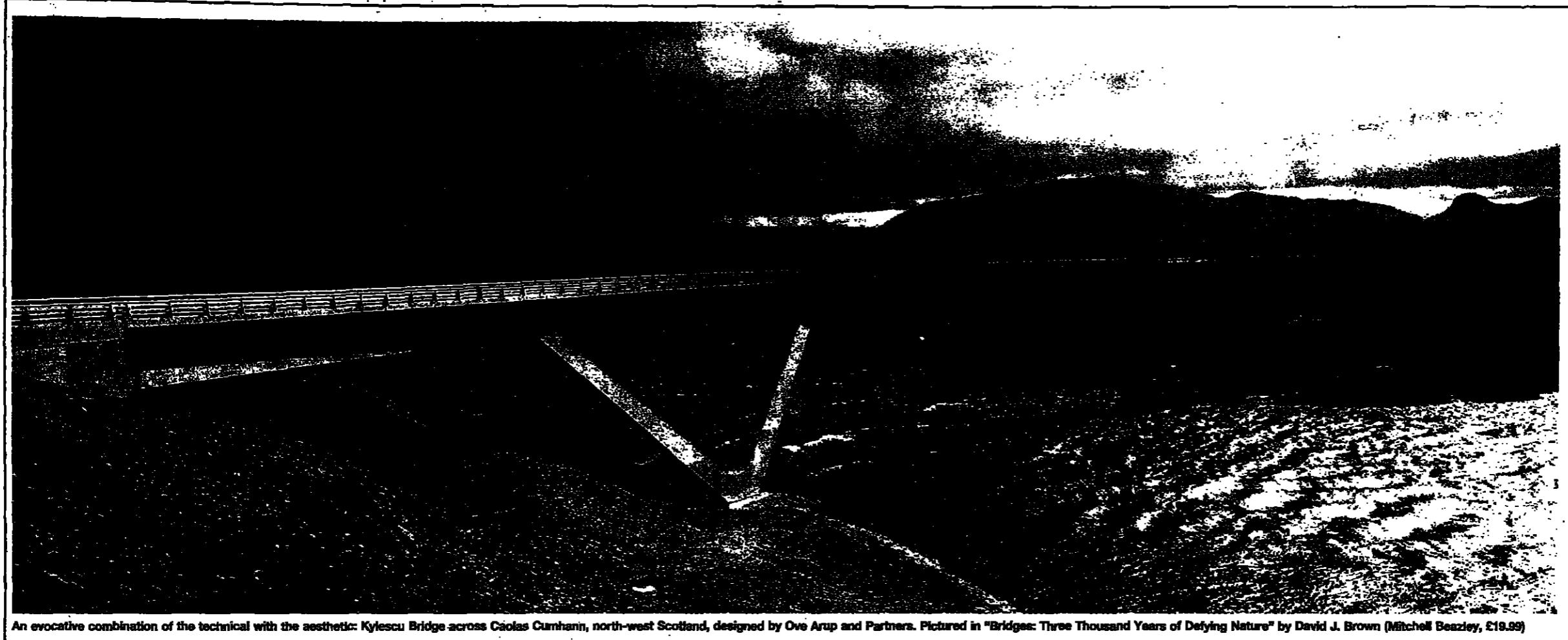
It is always tempting when dealing with this period to focus almost exclusively on astronomy, where the shift from an earth centred to a heliocentric universe is clear cut and dramatic. This approach even affords a kind of morality play with white-hatted

heroes (Copernicus, Kepler, Galileo) fighting literally black-hatted baddies (mainly assorted cardinals and popes), beloved by instructors and students alike.

Shapin draws examples from more disciplines than most of us who have taught the subject manage to do, connecting scientific events with European politics, culture and religion. At his best he combines an impressive array of current scholarship with an ability to formulate basic questions. On balance, however, he lacks the common touch nec-

essary to communicate clearly without over-simplifying. How many undergraduates would fail to be daunted by such phrases as "these teleological and animistic features of the traditional physics of motion"?

What remains clear is that something irreversible did happen during this period, and it is telling that everyone seems to have been aware it was somehow "new". Collectively these natural philosophers elevated the Book of Nature to an equal status with the Book of Scripture, leaving it only a matter of time before nature would supersede revelation and the new high priesthood of the modern scientist would be created. Even at the time, Boyle deemed these new scientists "the priests of nature".



An evocative combination of the technical with the aesthetic: Kylesku Bridge across Coeles Cunnah, north-west Scotland, designed by Ove Arup and Partners. Pictured in "Bridges: Three Thousand Years of Defying Nature" by David J. Brown (Mitchell Beazley, £19.99)

The playwright who waited for fame

It took Beckett a long time to become Beckett, writes Alastair Macaulay

In 1969, Samuel Beckett – author of *Waiting for Godot* (1953), other plays and several novels – was awarded the Nobel Prize for Literature. Among the many communiqués he received was a card from an authentic Mousieur Georges Godot. M. Godot wrote to say how sorry he was to have kept Beckett waiting so long. Beckett, tickled pink, replied: Not at all, he said: thank you for revealing yourself so promptly.

Godot was the play that made Beckett, 46-years-old at the time of its stage premiere, famous. He lived another 36 years, and went on to write greater and more audacious plays. (*Endgame*, *Krapp's Last Tape*, *Happy Days*, *Footfalls*, and more.) And yet *Godot* occurs well over halfway through both the new Beckett biographies. Even *Wait* – the novel with which he perhaps first attained stylistic maturity, and most of which he wrote in 1943 – occurs just over halfway through Anthony Cronin's biography, and

nearly halfway through James Knowlson's. In other words, it took Beckett a long time to become Beckett. Ireland made him; France was the climate he needed; and the war, it seems defined him.

Becoming Beckett involved years of Protestant upbringing, of academic work, of mastering several languages, of immersion in the work and circle of James Joyce, of ill health and mental distress, of psychoanalysis, of heavy drinking, of unrequited love and various post-sexual affairs, of intense absorption in classical music and painting, and of work in the French Resistance.

Certainly it involved leaving Ireland. He nearly became one of many, too many, Irish writers who never fulfilled their promise. Years later, Martin Esslin asked him why he lived in Paris and if he had anything against Ireland. "Oh no. I'm a fervent patriot and

republican," Beckett replied. "Well, asked Esslin, "why do you live in Paris then?" Beckett's answer was "Well, you know, if I were in Dublin I would just be sitting around in a pub."

This anecdote occurs in Cronin's biography, and, of the two biographers, Cronin is the more authoritative on the Irish context. The society and politics and academe of Dublin are keenly alive in his text. Cronin is, in manner, anyway, the more authoritative of the two biographers. He is prepared to stir up several important questions for example, he raises up several smidgens of evidence over the years that may perhaps suggest Beckett sometimes entertained homosexual feelings for a few of his male friends. He knows the work well, and has done a great quantity of research, supported by long acquaintance with several key figures in Beckett's own circle. And he is the more fluent

writer; the reader relaxes in his hands.

Knowlson's biography, however, is a masterpiece of painstaking research, and is based on a dazzling degree of intimacy

DAMNED TO FAME –
THE LIFE OF SAMUEL
BECKETT
by James Knowlson
Bloomsbury £21, 396 pages

SAMUEL BECKETT –
THE LAST MODERNIST
by Anthony Cronin
Harper Collins £25, 645 pages

he could incorporate and assess its new findings.) Not only is his main text followed by 125 pages of notes in small print, many of them are worth reading. As Knowlson knows, his discovery of Beckett's hitherto unknown German diaries (1936-7) are a particular revelation of Beckett's views on painting, politics, society. But what clinches their significance here is Knowlson's alertness to the significance of the least detail. And he has interviewed virtually everybody, bringing many important new clues to the light.

I admire Knowlson's immense wealth of details (the Godot communique story is his) – some of which open up vast areas beyond Beckett studies. For example, he mentions in passing that the London impresario Donald Albery, while wondering whether he should present the British and English-language premiere of *Godot* in the West End, invited

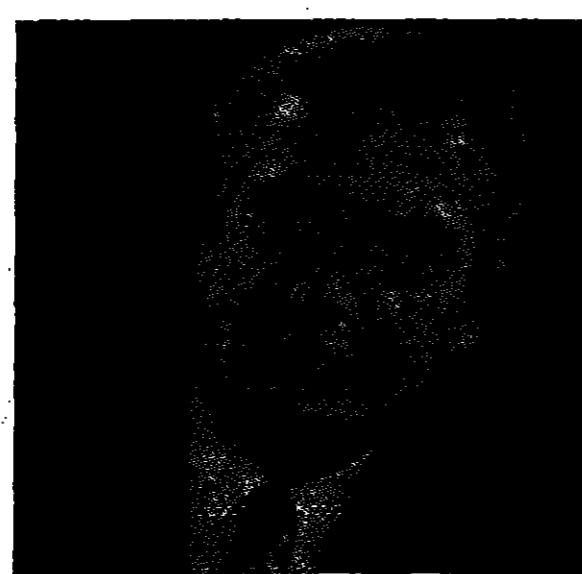
two of his best friends to read it and advise him. Both of them urged him to go ahead. One was the young actress Dorothy Tutin; the other – this is simply astonishing – was the ballerina Margot Fonteyn. This raises all kinds of questions about Fonteyn's literacy and her interest in the avant-garde for the author now preparing her biography.

Knowlson urges us from the first to understand that Beckett was by no means the "miserabilist" that his reputation has made him out to be. (Cronin is not so sure.) There is no denying Beckett's many bouts of depression, his need for privacy and solitude, and the bleakness of much of his work. And yet the work not only has its gallows humour, it has also a deep value for humanity, even (or especially) to its most grim condition. From that value for humanity arise rich fragments of lyricism, poetry, ambiguity.

This year alone, the Donmar Warehouse *Endgame* and the Almeida/Dublin Gate *Happy Days* have sent many of us out into the street in a rare state of joy; a joy the truer because we have been made to address, head on, the irretrievable and terminal states of the characters onstage. Both biographies show the loyalties, the tendernesses, the affairs, the friendships that sustained Beckett, that were part of his essence, and that are refracted in his work.

A newspaper review, alas, is not the place in which to discuss the numerous minutiae (very occasionally conflicting) in which both Cronin and Knowlson reveal their subject. Either book is a major addition to our understanding of Beckett. Cronin's intelligent and probing book is the easier for the general reader – but Knowlson's manages, by means of its quiet objectivity, to turn the casual reader into a very well-informed Beckett specialist.

Prime minister who blew it



Anthony Eden: the movie star of British politics

Anthony EDEN: A LIFE AND REPUTATION
by David Dutton
Arnold £25, 576 pages

writes in his preface, that it is not so much a biography, more a series of linked essays picking up the various strands in Eden's life and times. The sub-theme is how reputations can change with fashion, long after the events concerned.

For years it was assumed that Eden's reputation turned negative beyond redemption with Suez in 1956. He departed as prime minister a few months later. More recently the charge has been that he failed to foresee the impetus behind what was once the Common Market and is now the European Union.

The most striking chapter in Dutton's book, however,

have been more critical of Eden even when his reputation was at its height. As foreign secretary in the late 1930s, he seemed to be one of the arch anti-separates. Dutton shows that by and large Eden's approach was not out of line with the Conservative government to which he belonged. He disliked Mussolini, thought that it might be possible to do a deal with Germany, and believed that Britain needed more time to re-arm. There was no compelling reason for him to resign in 1938 – and no single explanation for his action – yet when he did his reputation soared. He had a habit of being in the right place in the public mind at the right time.

Eden, though he could maintain personal loyalty, did not greatly like working under the shadow of other people. He was charming in public, but irascible in private. Dutton quotes a line about him: "Eden lives in a land inhabited by superiors and inferiors. He acknowledges no equals." That explains a lot. Eden suffered from the Prince of Wales syndrome: he was prime minister-in-waiting too long before taking over. When he did, he blew it.

Dutton is surprisingly kind about this later period. He thinks that Eden, for all his lack of experience, might have developed on the domestic front and been a more astute prime minister

economically than Harold Macmillan, who succeeded him.

ment in European integration. The only defence, given extensively here, is that so was almost everyone else engaged in British foreign policy at the time. Yet Eden was a professional foreign secretary who claimed to know Europe inside out. Not to recognise the Franco-German drive for ever closer union – and to believe that Britain could stop it even if it took off – was a blunder worse than Suez, and with consequences that remain.

Still, it is an amusing thought that the old Eden put the views of the modern Eurosceptics. Dutton notes that Eden never really liked the Conservative Party. Neither, one suspects in present circumstances, does John Major. Another full circle.

Malcolm Rutherford

Politics of racialism

Brian Cheyette on why arbitrary stereotyping is dangerous

A re Jews cleverer than the rest of mankind? One need only think of Einstein, Freud and Karl Marx to appreciate the appeal of the "Jewish genius".

Some, such as George Steiner, relish this potent image. The large proportion of Jewish chess grandmasters, or Nobel Prize winners, or musical child prodigies, seems to be unanswerable. For Steiner, Jews are inherently intellectual and defined by their Talmudic heritage. Sander Gilman, on the other hand, has written *Smart Jews* so as to challenge these easy assumptions.

This readable book – which began life as a set of lectures – might be dismissed as being over-sensitive or politically correct. After all, it is rather flattering for a group to be thought of as the brains of the world. There are worse theories (especially about Jews). And a reputation for being "smart" or intelligent is often an advantage. But even laudatory stereotypes, as Gilman convincingly shows, can be damaging.

The mythic "smart Jew", he argues, confirms the dangerous link between race and intelligence. If Jews are genetically intelligent then nature triumphs over nurture.

More disturbing still,

immigrant groups are perceived as

SMART JEWS
by Sander Gilman
University of Nebraska Press
£32.95, 246 pages

unchangeable and thus a threat. According to Gilman, popular prejudice still regards Irish, Italians and Afro-Caribbeans as physically adept, but largely stupid, whereas Jews and Asians are clever but

These racial categories seemed to have died out by the 1960s. Hans Eysenck was rightly criticised in Britain

in the 1960s and '70s for suggesting that some ethnic minorities are poor at IQ tests. But this controversy has recently made a comeback in the best-selling *The Bell Curve* (1994), by Richard Herrnstein and Charles Murray.

Gilman's study refers throughout to *The Bell Curve* as it once again reduces intelligence to biology.

The normal curve of the "bell curve" is represented by the average American Joe. There are, unsurprisingly, two notable deviations from the norm. Black Americans are at the lowest end of the curve. At the upper end of the curve are American Jews who are "tested higher than any other ethnic group". Such are the commonplace racial images of extraordinary physicality and extreme

they could ever be truly original. They were, after all, meant to have descended from a "parasitic" people.

The last and best chapter of *Smart Jews* brings its argument up to date. The "smart Jew" is shown to persist in popular films such as *Schindler's List* and *Quiz Show*. In *Schindler's List* the figure of Stern embodied the limits of the amoral Jewish mind which needed the practicality and virtue of Oskar Schindler. Jewish genius in *Quiz Show* is again interchangeable with madness.

The contemporary Jewish success story in America is too often seen as the result of a unique gene pool from a mythic Talmudic past. But, as is demonstrated, the aimless slaughter of European Jews precludes such misguided race-thinking.

Holding Jews up as a superior immigrant group, as Gilman maintains, implies a dangerously false homogeneity. Worse still, it enables the politics of race to be reinvented for the next century.

Gilman traces a number of individuals from fin-de-siècle Vienna – such as Freud and Wittgenstein – whose Jewishness made them question the value of their own intellect. Cleverness could also mean craftiness and genius might equal madness. Jewish intellect

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COLLECTING

Objects to amuse in the festive season

Susan Moore
finds items to intrigue, from champagne jugs to silver paper knives

My magpie sorts into the antique shops this season have turned up a number of more or less utilitarian objects likely to confound any quizzer. Whether they would amuse or appeal them is another matter. Prices range from £10 to £7,000, ages from three years upwards.

For the wine buff who can bear serious money being spent on something other than replenishing the cellar, Norman Adams (18 Hans Place, London SW3) could supply a handsome George II brass-bound, mahogany wine-cooler for just two bottles. It is in unusually good condition and costs a sobering £7,000.

This upright, oval type allows ice to be packed between the outer lead liner and the two zinc inner liners, and is infinitely more practical than the usual open, wavy-tipped sort that are now mostly used as jardinieres. The wine is evenly chilled, and the labels do not drop off.

Once the festive champagne is chilled, how about pouring it from one of Cobb Antiques large, early Victorian crystal champagne jugs sprinkled with engraved



Elegance: Pilkington and Lancastrian vases

stars, their sides applied with ribbon trails? (39D High Street, Wimbledon Village, SW19).

For more intimate celebrations there is always a Victorian champagne tap to plunge through the cork and keep in the bubbles. The Christopher Sykes Gallery of Woburn offers them for £50-£70, along with every imaginable kind of period corkscrew. There are pleasing pre-1880 examples with turned rosewood handles fitted with a dusting brush (£35-£49) or kitch novelty pieces like the dachshund with corkscrew tail or the cat with the arched back. (For a £7 catalogue of about 800 fully illustrated pieces, phone 01525-290258.)

Just the thing to accom-

pany post-prandial conversation, port and cigars is an extraordinary silver-mounted cigar lighter at Mallett at Bourdon House (2 Davies Street, London W1) made of ibex horn, £2,600. Well over 1ft long, it has definite table presence. The horn ends with one of those spherical glass spirit lamps used in the coffee filters of my childhood, and still encountered at The Elizabeth in Oxford. The silver mounts bear the marks of Chester, 1913.

The same firm also has a tall, elegant, silver-mounted magnum claret jug, £2,800. The conical glass jug is engraved, the silver mark Birmingham 1893. I found two other notable claret jugs.

The Country Seat (Huntercombe Manor Barn, Henley-on-Thames) offers a modernist classic, designed by Christopher Dresser and made by Elkington, again silver-mounted, £1,950. Unusually pretty in a small, lobed glass jug fitted with lotus-leaf mounts, 1881, £2,500, at Tessier's (26 New

Bond Street, London W1). Tessier's 1851 premises are perhaps the most charming in London, and just walking through their portals is a pleasure.

Mirror-backed mahogany showcases gleam with polished silver. You might be tempted to part with £3,250 for an Elizabethan silver goblet, made in East Anglia around 1580. They also offer seasonal nutcrackers and picks (£7.99) and grape scissors (£2.99). Most satisfying of all to handle is the pair of small, silver scallop-shaped butter dishes, their feet in the form of couch shells, William Bateman, 1837, £2,500.

For me, Christmas shopping is inconceivable without a stop at perhaps my favourite antique dealers, Ella Grahame (97C Kensington Church Street, London W8) - not least because by

long tradition there is a Christmas window of small presents for under £5.

In the past I have picked up the likes of a Regency needle case in the shape of a high-heeled shoe, and a silk-lined Georgian leather cuff-link box. I scored top marks for a grandiose piece of ormolu that was really a palm-sized sculpture.

This type of stocking filler can be more interesting than socks or CDs.

This is also the place this Christmas to find tortoise-shell knitting needles, or an unused Edwardian silk square from a batch acquired from an old haberdasher's (from £10). Too late for the toy bagpipes, I scooped up a rather surprised looking Art Deco horn pipe whose underside is fitted with a bottle opener and an early Victorian abacus.

Less costly pieces range from a handsome mahogany postman's box (230) for a Georgian front door to a country-house kitchen copper stand, £75. Regency acanthus leaf picture rail hooks are on offer for £57.50 for 13 and a pair of 18th century steel ember tongs at £75. A set of six Regency champagne flutes costs around £280.

Individual glasses for favourite tipplers make welcome gifts, tumblers engraved with appropriate sporting motifs perhaps or feminine, early 19th century, gilded Bohemian pieces.

Cobb Antiques, the largest

general glass dealers in the country, has examples of every type of glass you could imagine, from decanters to scent bottles and hyacinth vases in various rainbow colours (from £7.99). I prefer to plant mine in large, cracked 17th or 18th century Chinese porcelain bowls or chargers which, because of their imperfection, can cost under £100.

For

serious-minded men of

letters, Norman Adams has a Regency rosewood bookstand with a pierced brass arched surround, £1,000. Mallett at Bourdon House has a Regency ivory paper knife in the form of a Roman sword (£1,100), and most silver dealers have Georgian skewers that have been flattened to make stylish silver paper knives.

For

the more flamboyant,

how about a Carlo Bugatti

walnut writing chair in

the Moorish taste, inlaid in

ivory, pewter and copper,

from The Country Seat,

£1,950. Thespians might pre-

fer for a pair of late 19th cen-

tury French, 18-carat gold

cuff-links of four high-relief

theatrical masks (Sandra

Cronan, 11 Burlington

Ar-

cade,

London W1, £3,500).

Her shop is an excellent

source of period cuff-links,

tie-pins and the like.

For females in the family,

how about a deliciously soft

mid-19th century Kashm

ir shawl from a selection at

Spink (5 King Street, London

SW1), from £3,500, or a large

sculptural rock crystal and

jadeite necklace from The

Oriental Art Gallery (1

Davies Street, London W1) at

£2,800.

Perhaps most appropriate

would be Sandra Cronan's

1940s bracelet made of col-

oured hardstones cut in the

shape of Christmas parcels

and tied with twisted gold,

£2,800.

Individual glasses for

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ARTS

The visit last month of Seattle's Pacific Northwest Ballet was the dance event of the season in New York. What a seismic shift that little fact encodes. This has not been possible to say about an out-of-town company in nearly 50 years, and never before about a domestic one. It is only possible to say it now because of the catastrophic decline of New York City Ballet which, under George Balanchine, was the flagship of innovation in post-War classicism worldwide.

Balanchine's death in 1983 threw into doubt not only the survival of an extraordinarily distinguished body of work, but the extension of his neo-classical project as the major direction in contemporary ballet.

More than any other choreographer, Balanchine made

classicism modern. Classicism in dance means the expressivity of form as opposed to performer – of shape, energy, and rhythm rather than of emotiveness or histrionics.

Balanchine made dancers move faster, bigger, and at more extravagant angles, yet also more precisely, than anyone had before. Keeping a company of 50 or 100 performers up to level requires enormous care, integrity, and expertise – instead of which NYCB has given us nepotism, laziness and the kind of petty jealousy which has excluded many of Balanchine's greatest dancers from their

natural roles as mentors and coaches.

PNB has gone about things differently. Since assuming joint directorship in 1977, NYCB alumna Kent Stowell and Francis Russell have painstakingly brought the company to the point where it now dances Balanchine better than anyone else in the world, with the possible exception of Edward Villella's Miami City Ballet.

The company style is magnificently vibrant and proud. The carriage is easy yet taut with energy, the gaze lifted and alert. Hips are square and mid-sections strong, making for

great purity of shape and directness of attack. Phrasing is meticulously sharp. Most lovely are the PNB arms: radiant, full, exquisitely modelled.

PNB's corps de ballet is an exceptionally well-rehearsed, coherent unit, the bedrock of every work in which it appears. And partnering, that dying art of gallantry and mechanics, thrives at PNB even among those men not physically suited for cavalier roles. In all, a consummately finished company, handsome to its fingertips, elegant without a hint of fuss.

Repertory for the New York season featured the Balanchine/

Mozart Divertimento No. 15. With five ballerina roles, the work offers itself as a gem-case to the rare company with sufficient wealth to display. PNB's first cast scintillated from start to finish.

I was particularly struck by Linette Hitchins, a refined beauty with long, slender legs and impeccable placement. Hitchins handled the devilishly difficult timings of the first variation with great poise, speeding from pose to pose with unfailing clarity and charm.

At the top of the company stand Patricia Barker and

creation of work that realises his neo-classical vision. Here too, PNB acquires itself well. Its contemporary repertory is by far the most interesting among the major companies, at once tasteful, eclectic, and marked by a willingness to trust audiences to reach for difficult material.

Stowell's choreography, to judge by the works shown here, is consistently well-crafted and attractive, though no more than that. More compelling was Mark Dendy's *Symmetries*, impishly imaginative and confidently epic in scale; the work is also a meditation on classicism itself.

Of course, neither Dendy nor anyone else yet known is Balanchine's true successor, but if and when that much-hoped-for figure arrives, he or she will do no better than to head for Seattle, where fertile ground awaits.

In the steps of Balanchine

William Deresiewicz hails the New York visit of Seattle's vibrant ballet company

Realism rather than surrealism

Richard McClure reviews the American photography exhibition at the V&A

Some people might consider it myopic to mount a major television history of American visual culture with barely a passing reference to the role of photography. Not, it would seem, Robert Hughes. The Australian critic's *American Visions* is an absorbing appraisal of his adopted country's art. A pity then that his self-declared "love letter" relegates photography to a postscript.

The omission is all the more irksome, coinciding as it does with *American Photography 1890-1965*, a striking reminder of the medium's achievements at the Victoria & Albert Museum. Selected from more than 20,000 images held in the archives of the Museum of Modern Art in New York, it is a rich and comprehensive survey, filled with such familiar pleasures as Ansel Adams' landscapes and Diane Arbus's portraits.

Admittedly, the show is not without shortcomings. There is a timidity about early-20th century US photography which contrasts sharply with the artistic ferment across the Atlantic. While Europe embraced the avant-garde, American pictorialists such as Clarence White were still striving to replicate the expressive grandeur of traditional fine art. Compared with the experimental impulse of their European counterparts, these efforts to emulate Turner or Constable seem like fossils from a distant age.

Indeed, there is nothing to rival the radical work of Dada photomontages between the wars, no equivalents of the dazzling experiments of the Bauhaus photographers who dispensed with the camera altogether and exposed objects directly onto light-sensitive paper. As in its politics, the US remained untouched by European concerns, a photographic isolationism reflected in the absence of Man Ray, a native of Philadelphia who is excluded from the exhibition on the grounds that his

work is too "passionate". Elsewhere, the themes of toil and resilience are repeated in different forms and different decades. We see lumberjacks drinking at a Minnesota bar and impoverished migrant workers in California. Even unpeopled photographs are often studies of a hostile human environment: murder headlines in tabloid newspapers, the dismal anonymity of empty hotel rooms.

The exhibition's bias towards the street scene is partly explained by the Museum of Modern Art's long-held preference for reportage. Its photography department, established in 1940, soon abandoned its initial high art sympathies in favour of the more populist approach of Edward Steichen. During his 15-year tenure as director, Steichen curated MoMA's most famous exhibition, *The Family of Man* (1955), which he created in the "passionate



'Steamfitter' by Lewis W. Hine, 1920: toil and resilience are a recurring theme.

spirit of devoted love and faith in man". As a deliberate attempt to broaden photography's appeal, the show was hugely successful, though many despised at its mawkish pictures of childbirth, kissing lovers and photographic peasants.

Such excessive sentiment is not evident here. Rather, the work is profoundly humane, frequently stemming from the social concerns of the day. Lewis Hine's compassionate 1910 portraits of coalminers, Pennsylvania, was instrumental in changing child labour laws; Charles Moore's 1963 depiction of an Alabama riot is a plea for civil rights. With photographers often banding together in reformist groups, many of the exhibits demonstrate the same moral values as Life photojournalist Gene Smith whose simple mission was "to right what is wrong".

The images in *American Photography* have been divided into related groups and curator Peter Galassi makes much of the schism between the vernacular and aesthetic traditions. The argument is not wholly convincing. Realism and abstraction have never been completely divorced in the US camera world and many prints on display straddle these genres. In his 1930s studies of a pepper and sand dune, Edward Weston explores each object's quintessence by taking its form

and texture to the edge of abstraction, yet never losing sight of a tangible reality.

Even those who used photography to embark on spiritual contemplation could not resist the lure of the material world. Aaron Siskind was in close association with the Abstract Expressionist painters, yet he was equally at home recording the poverty of Harlem. His meager works, "Chicago" (1944) and "Gloucester" (1949), transform everyday human objects – a concrete wall, a glove – into metaphors of strange and ambiguous beauty.

His like-minded contemporaries, Minor White, recognised the reasons for their mutual reluctance to depart

from actuality when he explained, "These abstractions have not left the world of appearances for so do to so is to break with the camera's strongest point – its authenticity."

The exhibition halts, inexplicably, at 1965. But the fascination with the world of appearances persists to the present day. The current talk of New York is the Whitney's retrospective of Nan Goldin, who has documented the turbulent lives of drag queens and her friends dying from AIDS. "I photograph people with a warm eye, not a cold eye," Goldin says in her exhibition catalogue. She could be speaking of an entire century of American photography.

Concerts in London

Strange music for Blake

The South Bank played host last weekend to two modern composers who are at the opposite ends of almost any spectrum you might think of. The 65-year-old Sofia Gubaidulina is Russian (but born and raised Tartar), "spiritual" in the intense Orthodox tradition, and determinedly original. The London Sinfonietta devoted a whole concert to her on Saturday. More about that later. Gubaidulina's music is featured at the Huddersfield Festival this weekend.

The chorus shouted "Tyger! Tyger!" pitchlessly with menaces, against a fixed orchestral roar. For the finale, however, everybody swung justly into "Cruelty has a Human Heart / And Jealousy a Human Face" over a slamming, irresistible reggae beat.

The whole cycle, almost three hours long, leaves a resounding impression, more through Bolcom's dedicated resolve to "make everything clear" than by any special art. In fact very few of the numbers are set as "art-songs"; the composer sticks closely to Blake's plain scanion, eschewing extra interpretative touches. The non-tonal music, including most of the linking orchestral material, is less persuasive than any of Bolcom's zestful pastiches – some of which may prove haunting after another hearing or two.

This unlikely work was well worth putting on and Leonard Slatkin conducted it with panache. Unfortunately there were not nearly enough programme-books, with all the poems, to go round; many people strained and fainted them. Mere variety of expression.

Schiff and friends play Brahms

The pianist Andris Schiff has organised another of his concert-series at the Wigmore Hall, which are always bright spots in the musical calendar. The current one is devoted to all of Brahms's chamber music with a piano in it, which excludes only the great Clarinet Quintet and the works for strings alone.

What follows is a rich haul, richer than many concert-goers will have discovered yet. It takes years to find all these Brahms pieces in live performances, because only his piano trios and his sonatas for violin and for cello fit easily into any standard recital programme. To catch the piano quartets and even the op. 120 clarinet-and-violin sonata you need to keep a sharp eye out, and the trios with clarinet and with horn are rare birds indeed.

Schiff has chosen to ignore the F minor Piano Quintet, no doubt because it is the well-known exception. Tuesday's instalment, however, comprised only more familiar works.

Schiff's partners are mostly old friends and colleagues – among them the Swiss clarinettist Elmar Schmid, whose playing in the F minor Sonata was so comfortably prosaic that one

always Schiff was a selflessly attentive partner. For my nothing very significant his pianism is rather too "cultivated", light-fingered and under-pedalled for Brahms, who was a famously robust performer, but he grasps the sense of the music unerringly. For the E minor cello sonata he achieved a perfect balance – with the piano lid fully open, which is preferable but always risky, especially in the Wigmore – against Miklós Perényi's noble declamation in the cello role: classically elevated, plain, eloquent.

That was inspiring to hear, living reminder of the very best East European traditions. Perényi can surely provide much more of that, if only the Wigmore will press him to come back soon.

David Murray

Ballad of Christy Moore

Veronica Guerin, an Irish drug baron, is believed to have ordered Ms Guerin's shooting. "You took the phone call and you who took the message? And you who hired the hit man... and you who remain silent? You are guilty everyone."

Moore hammers his guitar and walks the stage like Groucho Marx on the run. A favourite target for his humour is the British. In

"On the Mainland" he part sings, part talks of the night after a London concert. "I couldn't sleep a wink so I pulled on the BBC World Service. A lovely English man came on the wireless!

And with a gorgeous, sweet dulcet, Portlaoise Place clipped tone, he announced that the winner of the 1985 Nobel prize for literature was a British poet, Seamus Heaney from Londonderry says he Cool as cool could be."

The chance of an evening with Christy Moore should not be missed.

Kieran Cooke

The Rialto, Londonderry. Then to The Forum, Kentish Town, London (November 28, 29, 30); Point Theatre, Dublin (January 16, 17, 18); and Reich's, Manchester.

Veronica Guerin, an Irish drug baron, is believed to have ordered Ms Guerin's shooting. "You took the phone call and you who took the message? And you who hired the hit man... and you who remain silent? You are guilty everyone."

Christy Moore comes on stage in Londonderry like a boxer, raising an arm, punching the air. A short, squat figure, he exudes power and energy. For nearly two hours he hammers out a succession of songs, stories and poems. He breaks guitar strings, the sweat flows off him. He is super.

Folk singer, raconteur and poet, Christy Moore is an icon of the Irish music scene, with a fan club stretching from Melbourne and Munich to Memphis. His rise to the top has not been easy. I first saw Moore perform at a small pub in County Clare 15 years ago. The air was thick with smoke, people were more interested in knocking back pints and chatting than in the music. The singer cut a sad figure as he tried to make himself heard.

"When I was 21 I'd travel around with my guitar, do me gig, rave all night, then sleep wherever I could," says Moore. He was also big on the booze in the late 1980s, came a near fatal heart attack. The life style changed. The approach now is much more professional. Moore has not touched a drop in years. Laughing at

Theatre Horror story goes wrong

terrors available in everyday life, preying on people's fears of murder and violence in their own home.

The two set about trying to outdo one another in telling dark tales. They compete; they collaborate; they get more and more out of control. So, as Arthur investigates the thrill of writing and reading horror stories and raises questions about the validity of fiction, he gradually inches the play forward to the revelation of the violent truth about the two men.

It is a nice idea, but the trouble with the play is that the execution does not live up to its ambitious remit. Sarah Hemming

continues at the Arts Theatre, London WC2 to January 26. To buy and contact in Chichester.

ARTS

It is an occupational hazard of the critic to be asked to serve on the panel of one of the open-submission or prize exhibitions that have proliferated in recent years. The process of selection is always intriguing, stimulating and full of surprises, although tiring and exasperating too.

A couple of thousand pictures to consider in a day or two, which is par for the course, is no small thing, and one never knows what will come off the pile next. What so many apparently normal people are prepared to call their Art, and submit without embarrassment, is a source of constant surprise, alarm, even horror. But along with the positive frights there are always the positive treats, not just from the familiar and reliable but often from names that are quite unknown.

The *Discerning Eye*, at the Mall Galleries, is a prize exhibition unique in its insistence upon the open and personal accountability of each of its selectors for the work chosen for show. This is no committee job. As on its four previous occasions, the exhibition's six selectors - two artists, two collectors and two critics (of which I was one) - were set to look and choose.

As the work of the open submission passed before us, we chose, fought and squabbled entirely for ourselves, reserving what we wanted for our own bags. We had to be sharp-eyed, confident and quick, like any good shot, to get the best of a good bunch as it came over. Some would almost get away, until a single more discerning eye would say "Hold on a minute, I'd like to hang on to that." And sometimes we could only look on in blank wonderment at a colleague's particular judgment - obscure, perverse, quite absent? "What on earth can you see in that?"

We were also asked to invite artists of our own choice to submit up to six works, of which we each would have the guaranteed first pick before offering the rest around. Finally, we were allowed to extend an invitation to particular artists and keep their submissions entirely to ourselves.

So there it all is, up on the walls of the Mall Galleries,



'The Oval Mirror' by Stan Smith: what unites everything I have chosen, I believe, is the actual quality of the particular work*

Drawn to choose

William Packer casts his 'Discerning Eye'

Each selector's choice has a wall to itself. Past prize-winners have the small North Gallery to themselves, while the current winners, though their winning entries remain within the selected sections, are given the larger East Gallery in which to show rather more of their work.

In making my own choice, I tried to cover a full range of work from straightforward representation - the landscapes of Dick Lee or

Colin Hayes and the expressionist figure studies of Stan Smith - to the rich but minimalist abstraction of Trevor Sutton, or John Holden. In between are infinite gradations - the vigorous expressionism of Martin Fuller for example, the exquisite still-life studies of Elizabeth Blackadder, the darker domestic interiors of Susan Pye or the visual conceptual play of Jack Mirov. What unites everything I have chosen, I believe, is the actual

quality of the particular work.

To review the rest of the critical mass would be invasions. I shall name none but the panel responsible. The artist selectors were Derek Hill, portrait and landscape painter, and Leslie Worth, the most accomplished of water-colourists. The collectors were William Boyd the novelist, and Jonathan Watkins, curator at the Serpentine, who brought in with him a whiff of the sulphur

and brimstone of conceptualism and the avant-garde. The critics were Martin Gayford, of the Daily Telegraph, and myself.

We are all in it together, though whether for praise or blame is for you to discover. Would I go through it all again? Of course I would.

The Discerning Eye 1996: The Mall Galleries, SW1, until December 1; sponsored by HSBC Investment Bank and Browns Restaurants.

Radio/Martin Hoyle

An outbreak of heavy breathing

The prevalence of asthma and related respiratory diseases in our congested and polluted little island is now making itself felt in the BBC. An outbreak of heavy breathing is spreading from Broadcasting House, deep, intimate panting that leaves the listeners concerned for the survival for some of the brightest and best thespians in the profession.

Most affectingly, this epidemic has been heard in *Women in Love* on Radio 4. Elaine Feinstein's serialisation and Sue Wilson's production were first-rate, and it must be admitted that the heavy breathing, or a sort of that you slam the telephone down on, was properly Lawrentian. The adaptation made the most of the radio medium with plenty of internal monologues, and even brought Lawrence bang up-to-date with hints of homo-erotic attraction between Gerald and Rupert - no more than what a modern sensibility can detect in much of Lawrence anyway.

The two men, acted by Douglas Hodge and Nicholas Farrell, were splendid, never topping into the sweaty portentousness that lurks in Lawrentian philosophy (and physicality) for the unwary.

Clare Holman and Stella Gonet were slightly less convincing because of the class thing. Why do women find it harder than men to sound pre-Welfare State middle-class? Chirpy emancipated secretary birds are not the same thing as the inter-war bourgeois intelligentsia.

There was another bout of the heaves that almost had me packing off a rescue parcel of Ventolin inhalers in last week's Saturday Playhouse. *Ethan Frome* was adapted by the game Michelle Wadnor from a story by Edith Wharton, but this bittersweet evocation of doomed love that never spoke its name in rural America sounded more like a transatlantic *Cold Comfort Farm*. The usually excellent Cherry Cookson directed so that one could almost see hearts palpitating beneath black bombazine or possibly checked gingham: the usually excellent Loralei King boomed out lines like "You took my pickle dish!" with the throbbing portentousness that Lady Bracknell traditionally reserves for her handbag. Wharton was a subtle and elusive writer, though you would never

guess it from the media treatment she receives here (viz TV's *Buccaneers*). Are the British convinced that their literary heritage has a monopoly on the delicate and oblique?

Delicacy is presumably the aim of the Hollywood star William Hurt, the third of last week's heavy breathers. He is reading the American *Shipping News* by J. Annie Proulx in the late book slot each night. An actor lugubriously sensitive to the point of tearfulness, on radio he has been given his head and occasionally gets so low, slow and soft that you want to leap to the radio and start cranking the handle as with a wind-up gramophone. Perhaps the intention is soporific, in which case it succeeds.

A word of gratitude for *The Merchant of Venice* (Radio 4, Monday). It is tempered by the marvel, as with Dr Johnson's lady preacher, that it was done at all. But it seemed an odd choice, the least likable of Shakespeare's plays, possibly even unperformable, according to modern susceptibilities. The great Warren Mitchell ranted like a Jewish Alf Garnett (if such a thing is imaginable), a sadly unsatisfactory showing from an actor who once, in a television play some 30 years ago, created a Jewish-Hungarian adopted-cockney made-good - socially every single layer of whose history could be discerned in his accent like geological strata.

More to the point, on a related subject, was the beginning of Fergal Keane's new series, *No Man Is an Island*. Keane is the BBC's Hong Kong correspondent who last year caused such a stir with a moving letter to his new-born son Daniel: it was to be expected his thoughts on nationality and nationalism, race and cultural identity, would be finely judged, a clear-eyed mixture of the affectionate and gracefully regretful. So it was in his memories of a Catholic Irish childhood when, as he put it, he was willing to die for Ireland - at



There are some lovely special effects, such as bubbles which contain real-life fairies when they come down to land, in Noble's filmed transplant of his Stratford 'Dream'

The Dream on the screen

Michael Church talks to Adrian Noble about filming Shakespeare's play

It took Kenneth Branagh - first with *Henry V* - then with *Much Ado* - to show there was money in filming the Bard. Hollywood has now picked up the ball and is running with it: this year has seen three different versions of *Romeo and Juliet*, a Tarragon *Macbeth* in the pipeline; an erotic-thriller *Othello*, starring Branagh; and a Branagh-directed, Branagh-starring *Hamlet* which is currently being cut down from four hours to two.

In London, people have been sticking closer to their theatrical roots. Trevor Nunn's film of *Twelfth Night* may not have sprung from a stage production, but it is cast from the cream of London theatre. Ian McKellen's film version of *Richard III* was an overt bid to preserve the performance he gave on the National Theatre stage. Peter Hall's most effective film to date is still his cin-

at Stratford and Peter Brook's best film was made from his Stratford *King Lear*.

So Adrian Noble's filmed transplant of his Stratford

Dream is following a grand tradition. Here once more are Alex Jennings and Lindsay Duncan, as splendidly regal a pair as you could hope to meet. Here is the forest of yellow lighthubs, and here the Magritte umbrellas, now upturned and serving as the quilted bower in which Titania welcomes Bottom to her bosom. But this Bottom - Desmond Barrit, ineffectual on screen as he was on stage - is now equipped with a real 1990s motorbike, rather than having to make do, as he did on stage, with just its sound.

There are some lovely spe-

cial effects - bubbles which turn out to contain real life fairies when they come down to land, and all kinds of whimsical junk hurtling through space - but you

leave out the sense that

the four walls of a studio. This is no bad thing: it feels honest. And at £2.5m, half from Channel 4, it has been a cheap project.

But Noble insists that it was not his intention merely to film his stage show. "This

is the kernel of his film: is a character he himself has invented. "Yes, but I got it from the title. If there's a dream, there must be a dreamer. And the dreamer must be someone who could dream these particular dreams. Somebody who is both very innocent, and very experienced. Someone who is fascinated by sex - and by young love, and by the idea of running away. Someone who would adore the comedy, but at the same time be sensitive to the darker elements in the plot."

The darker elements? "Oberon's sexual humiliation of his wife... and in effect taking photographs and saying 'Look what you did when you were under my spell'. Oberon and Titania are like any modern couple on the verge of breaking up: they fight every time they meet. The Indian Boy is Oberon's emotional consolation, a relationship which brings out his suppressed

natural instincts. Noble's quintessential dreamer is an 11-year-old boy. "Once I had settled on that, everything else fell into place." Played by Osheen Jones, this character ushers us first into a Pollock's Toy Theatre, and thence into a world drawing equally on *The Wizard of Oz* and the work of Steven Spielberg for inspiration.

"I think," says Noble, "if Shakespeare were looking for a movie director to do his late plays, he would offer them to Spielberg, because he would best understand the mixture of technical brilliance and wonder which is required. From the word go, I told all the actors that wonder was the crucial quality: 'I'll play the lion.' 'I'll play a fairy.' 'I'm going to fly.' I wanted the whole film to project this naivete."

When the film is shown at the Barbican this month (from November 29), the world will judge whether he

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INTERNATIONAL ARTS GUIDE

What's on in the principal cities**AMSTERDAM****CONCERT**

Congeribouw Tel: 31-20-6718345
• Rotterdam Philharmonic Orchestra with conductor Bernard Haitink and soprano Susan Chilcott perform works by Britten and Shostakovich; 8.15pm; Nov 26

EXHIBITION

Van Gogh Museum Tel: 31-20-5705200
• Sir Lawrence Alma-Tadema: retrospective exhibition of the work of the painter Lawrence Alma-Tadema (1836-1912), who was born in the Netherlands, but settled in London in 1870. In Victorian England he became popular for his idealised, but accurately detailed and colourful scenes of Greek and Roman life. The exhibition features some 70 paintings and watercolours from international collections. Also on display are photographs from the artist's own collection showing the influence of photography on his work. After the showing in Amsterdam, the exhibition will be at the Walker Art Gallery in Liverpool; from Nov 29 to Mar 2

JAZZ & BLUES

Congeribouw Tel: 31-20-6718345
• Carnegie Hall Jazz Band: with trumpeter Jon Faddis perform jazz music; 8.15pm; Nov 25

ANTWERP**CONCERT**

De Vlaamse Opera Tel: 32-3-2336808
• Symfonisch Orkest van De Vlaamse Opera: with conductor Stefan Soltesz and mezzo-soprano Jeanne Piland perform works by Beethoven and Von Zemlinsky; 8pm; Nov 27

EXHIBITION

Museum voor Schone Kunsten Tel: 32-3-2387809
• Het Volk ten Voeten uit - Naturalism in Belgium en Europa: exhibition focusing on Naturalism in Belgium and other European countries. Representatives of this late 19th-century art movement, characterised by monumental and accurate depictions of daily life, include Theodoor Verstraete, Jules Bastien-Lepage and Angelo Morbelli; from Nov 24 to Feb 16

ATHENS**CONCERT**

Athens Concert Hall Tel: 30-1-7223333
• BBC Symphony Orchestra: with conductor Andrew Davis and mezzo-soprano Ann Murray perform works by Elgar, Barlow and Wagner. Part of the European Festival of Orchestral Music; 8.30pm; Nov 26

BARCELONA**CONCERT**

Palau de la Música Catalana Tel: 34-3-2681000
• Lithuanian National Symphony Orchestra: with conductor Jonas Alkosa, soprano Irene Milkeviciute and pianist Dmitri Bashkirov. perform works by Beethoven, Scriabin and Poulenc; 8pm; Nov 25

EXHIBITION

Fundació Joan Miró Tel: 34-3-3291908
• Andy Warhol: exhibition including some 70 paintings and sculptures plus two installations, "Silver Clouds" and "Cow Wallpapers"; by Andy Warhol (1928-1987). The organisers aim to highlight Warhol's importance in contemporary art. The works on display come from European and American collections; to Dec 1

BERLIN**CONCERT**

Konzerthaus Tel: 49-30-2030909
• Rundfunk-Sinfonieorchester Berlin: with conductor Rafael Fröhbeck de Burgos and clarinettist Sabine Meyer perform works by Von Weber and R. Strauss; 4pm; Nov 30; Dec 1

DANCE

Staatsoper Unter den Linden Tel: 49-30-20354438
• Le Concours: a choreography by Maurice Béjart to music by Le Bars, performed by the Staatsoper Ballett. Soloists include Nadja Salidakova and Oliver Metz; 7.30pm; Nov 28

OPERA

Deutsche Oper Berlin Tel: 49-30-3438401
• Boris Godunov: by Mussorgsky. Conducted by Michael Jurovics, performed by the Deutsche Oper Berlin. Soloists include Camille Casapao and Gudrun Sieber; 7pm; Nov 24

BOLOGNA**CONCERT**

Teatro Comunale di Bologna Tel: 39-51-529901
• Concertgebouw Chamber Orchestra: with conductor Marco Boni and violinist Isabelle van Keulen perform works by Elgar, Mozart and Schoenberg; 9pm; Nov 25

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In Washington, 'Hercules and the Hydra' c. 1507 by Raphael The Royal Collection

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diet, clothing, make-up, hobbies, and other aspects of her life; to Jan 2

INDIANAPOLIS

EXHIBITION Indianapolis Museum of Art Tel: 1-317-923-1331

• Painting in the Age of Enlightenment: Goya and his Contemporaries: exhibition of some 60 paintings by Goya and his contemporaries, including Goya, Mengs, Tiepolo and Pareja. The show examines the emergence of an official court style in Spain during the 18th century. Works created under royal patronage are contrasted with those created independently, to convey the richness and variety of artistic expression in Spain during the Age of Enlightenment; from Nov 24 to Jan 19

LAUSANNE

POP-MUSIC Théâtre du Beaublieu Tel: 41-21-6432211

• Paolo Conte: performance by the Italian singer; 8.30pm; Nov 29

LEIDEN

EXHIBITION Museum de Lakenhal Tel: 31-7-5165360

• Jan van Goyen: a major retrospective exhibition devoted to the work of Jan van Goyen (1596-1656), celebrating the birth of this Dutch landscape painter 400 years ago. The exhibition features 60 paintings and drawings from international collections and focuses on van Goyen's role as renovator of the art of landscaping in the Dutch Golden Age. Biographical documents and letters also reveal other aspects of his life, especially his role as a trader in tulip bulbs; to Jan 13

DUBLIN

CONCERT National Concert Hall Tel: 353-1-5711888

• Hallé Orchestra: with conductor Gunther Herbig and viola-player Tabitha Zimmerman performs works by Ravel, Bartók and Brahms; 8pm; Nov 29

EDINBURGH

EXHIBITION Scottish National Portrait Gallery Tel: 44-131-5588921

• Lock, Love, Follow: Prints and Medals of the Jacobite Cause: for almost a century after the exile of the Stewarts in 1688, engraved portraits of the royal family and their close supporters were used in the propaganda battle to re-establish the royal family on the thrones of Great Britain. "Lock, love and follow" was the exhortation used by the Jacobites to enthuse their supporters. This exhibition, marking the 250th anniversary of the battle of Culloden, features a selection of these portraits; to Dec 1

LISBON

CONCERT Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131

• Orquestra Gulbenkian: with conductor Frans Brüggen and pianist Ronald Brautigam perform Beethoven's Piano Concerto No.4 in G major, Op.58 and Symphony No.4 in B flat major, Op.60; 9.30pm; Nov 28; 9pm (7pm)

LONDON

CONCERT Royal Albert Hall Tel: 44-171-5898212

• Kir Te Kanawa: recital by the soprano; 7.30pm; Nov 27

• Who Could Ask for Anything More: gala to celebrate the centenary of the birth of composer Ira Gershwin; 8pm; Nov 24

• Fidelity Lott: Adrian Thompson, Richard Jackson and Richard Stuart: the soprano, tenor and baritone, accompanied by pianist Graham Johnson, perform songs by R. Strauss in a Liederspiel-Quodlibet inspired by his last opera, Capriccio; 7.30pm; Nov 25

SHANGHAI

EXHIBITION Shanghai Museum Tel: 86-21-63724004

• From Zurbaran to Picasso. Masterpieces from the Collection of Carmen Thyssen-Bornemisza: exhibition featuring around 60 paintings from Baroness Carmen Thyssen-Bornemisza's collection.

The main focus of the exhibition is on works from the mid-16th to the early 20th centuries, emphasising the Baroness's collecting priorities. Included are works by Zurbaran, Canaletto, Gauguin, Picasso, Sisley, Monet, Picasso, Heckel and Kandinsky; to Dec 14

BRUSSELS

EXHIBITION Design Museum Tel: 44-171-3786055

• Conran Foundation Collection - The Good Buy Girl: the Conran Foundation Collection is a design collection which reflects the values and tastes of individuals with an informed opinion on design. Each year the foundation presents a windfall to purchase products in production illustrative of the changes in design, taste and technology. This year, Glasgow-based designer Jane Kirkpatrick scoured Europe for the best design products, which form the basis of the new Conran Foundation Collection presented at this exhibition; from Nov 28 to Feb 2

GLASGOW

EXHIBITION The Burrell Collection Tel: 44-123-3311854

• Mojo: by Butterworth (previews). Directed by Ian Rickson, performed by the Steppenwolf Theatre Company. The cast includes Rob Campbell, Ristard Cooper, Evan Handler, Adam Joyce and Martin McClelland; Tues - Fri 8pm, Sat 5pm & 8pm, Sun 3pm & 7pm; from Nov 27 to Dec 7 (Not Mon)

CLEVELAND

EXHIBITION Cleveland Museum of Art Tel: 1-216-421-7340

• Legacy of Light: Master Photographs from The Cleveland Museum of Art: this exhibition features 146 photographs from the museum's collection. They span the history of photography from 1842-43 to contemporary works. Featured are works by 131 photographers, including William Henry Fox Talbot, Henri Cartier-Bresson, Brassai, Alfred Stieglitz, Laszlo Moholy-Nagy, Man Ray, Ansel Adams, Sol LeWitt, Anselm Kiefer, Hiroshi Sugimoto and Thomas Struth; from Nov 24 to Mar 21

HAMBURG

EXHIBITION Hamburger Kunsthalle Tel: 49-40-24962612

• Mit klarem Blick - Hamburger Malerei im Biedermeier: exhibition focusing on Hamburg painting in the Biedermeier period (c.1815 - c.1850). Included are portraits and portrayals of family life by such artists as Erwin Speckter, Julius Oldach and Victor Emil Janssen, and landscapes by Friedrich Wasmann, Christian Morgenstern, Jacob Gensler, Louis Gurkitt and others; to Dec 29

HELSINKI

EXHIBITION The Museum of Foreign Art, Sinebrychoff Tel: 358-9-17336360

• Homage to Holy Alexander of Svär: exhibition on the subject of Holy Alexander of Svär, dating from the period between 1400 and 1600. The display includes icons, silk, gold, silver and pearl embroidered textiles as well as objects made of gold, silver and gemstones. The works come from the collection of the Russian Museum of St Petersburg; to Nov 25

HONG KONG

EXHIBITION Sha Tin Town Hall Tel: 852-22694265

• Empress Dowager: jointly presented with the Palace Museum of Beijing, this exhibition focuses on the daily life of Empress Dowager. More than 10



James Morgan

Forgiven but never forgotten frontiers

Social life has become more stable since the fall of Communism, but freedom to move may pose a problem

Once again it is the seventh anniversary of the collapse of Communism somewhere or other. So again we are looking at the end of history plus seven. For a while, of course, it seemed as though history had suddenly been spooled backwards. The Yugoslav horrors occurred after the slab of Communism was lifted and etiolated beings emerged into the sun to commit mayhem. It was 1945 all over again.

But now it looks as though November 1996 could be the turning point. It has long been

true that in, say, Prague people look much like people in the west. No longer do western tourists stand out like unsown thumbs. In London today, one is only mildly surprised if the person carrying that flashy bag does turn out to be from St Petersburg, Russia, rather than St Petersburg, Florida. The newspapers of central Europe look like real newspapers, the shops like real shops. Social life has become perfectly normal.

Now the old Communists might at last be at the end of their political life, judging by the evidence of the elections in Bul-

garia and Romania this month and this year we have seen Romania and Hungary sign a treaty to end their bloodcurdling row over Transylvania.

This is quite a big step from 1989, when the fall of Communism brought expressions of racist and xenophobic sentiments. But now, outside Yugoslavia, there is at least grudging acceptance that the treatment of minorities and neighbours is a touchstone of civilisation.

Perhaps national frontiers may become those hardly noticed little block-houses where relaxed policemen just wave you

through. Maybe. There was an interesting opinion poll in Poland the other day which was published by the Warsaw paper, *Rzeczpospolita*. It was about frontiers. Poland is a country that has had more frontiers than most and the matter is, therefore, always pertinent. One question was "Do you think Poland's frontiers will be changed?" More than two-thirds thought they would not be. About half the sample replied to the question

"Which country do you think would be most likely to try to change them?" Nearly half of those who responded thought

Russia, the same number named Germany and a few said "Ukraine".

Nobody asked the question that some might regard as the most interesting: "Do you think Poland should try to change its frontiers, and if so with whom?" That could have caused some trouble. So today the outlook is reasonably good. Stability and normality are winning. But this may not always be so.

Paradoxically, the European Union could pose a problem. As Poland and the Czech Republic move closer to their western neighbours, so they will have to

accept the demands of various treaty clauses relating to freedom of movement and the right to live in other countries. What would happen if lots of Germans decided to buy "holiday homes" in Pomerania, Silesia and the Sudetenland? If anything could be designed to start history off again, it would be that.

And so, seven years after the Iron Curtain came down, may we expect that in seven years, little iron curtains will be popping up again? And what if the French remember that a few hundred years ago much of the Dordogne was under English rule?

■ James Morgan is BBC World Service economics correspondent.

Lunch with the FT

The informal Shakespearean banker

Lucy Kellaway meets the chairman of NatWest bank

Lord Alexander unwrapped a Murray Mint, and gestured towards the pile of sweets in the back of his red Mercedes. "Do have one," he said.

"We've also got chocolate limes," said the chauffeur, Jim, who was driving the chairman of the National Westminster Bank, the UK clearing bank, and me back from our lunch date in west London. I took a sweet and sucked it.

Over our two-hour lunch we had exhausted the obvious topics of conversation, and he seemed reluctant to engage in a fresh round of small talk. "I've got your tape," said Jim holding out an HMV bag containing a tape called "Hear my Song" by someone called Josef Locke.

Jim started to talk about the pros and cons of installing a fax machine in the car, when the car rang.

"Hello darling, are you alone?" said the voice on the other end. "We're just passing the Houses of Parliament." Lord Alexander said a little stiffly. She said something I did not catch, and he proceeded to spell it out: "I've got Lucy Kellaway here with me. I'm giving her a lift, so I can't tell you how it went." They talked for a bit; she seemed to be recounting a tale of woe, and he was giving her his full attention, making sympathetic noises. He said goodbye fondly and we drove on.

Lord Alexander evidently likes his third wife a great deal. He had mentioned her several times during our meal, and each time a slight change came over him. No longer did he seem like the punctilious chairman of NatWest, but like a thoroughly agreeable husband.

He had chosen to eat at the Belvedere, an airy restaurant in the middle of Holland Park, where his wife and he sometimes dine on summer evenings.

"I would like, please, a large bottle of still water and a bowl of ice to make it look like an event, and then a

glass of wine with a meal," he said to the waiter. The instruction was precise, spoken slowly in a rich plummy voice that left his origins as a mechanic's son far behind. I ordered a Kir Royale, feeling that iced water was not quite even enough.

"There is a SIB [Securities and Investments Board] meeting this afternoon on the vexed pensions review issue, and I think more than a glass of wine would be a..."

"...disaster," I said, finishing his sentence.

"...misfortune," he corrected me.

He was, he said, "personally sceptical" about drinking at lunchtime, but had agreed to have one glass as this was a special occasion. "If we have guests in at the bank I might have a glass poured for politeness."

We looked at the menu. "I usually have the warm tartlet with caramelised onions and then deep fried fillets of sole with sweet and sour sauce."

"So you're not on a diet," I said, crassly.

For a minute he seemed put out. "No, I'm not on a diet. Why?" I back-pedalled furiously, and he laughed. But only his mouth moved; his eyes were still.

I chose a fancy starter called salad of Mediterranean and winter ribbon vegetables with rosemary oil, followed by a blackened tuna steak.

"That sounds nice. It's the sort of thing my wife would have if she were here. Yes, Marie would have that."

Orders taken, I asked him why everyone hates banks. "First of all the unpopularity was overdone during the recession," he said. He started to explain that contrary to popular belief, banks had actually worked hard to make sure small businesses did not go under.

But I cut him off mid-flow. I wanted his view on what seems to be a fundamental dislike of banks and distrust of bankers. But he has never noticed such a thing. "I don't feel banks are everyone's

a way that the unions recognise as fair."

I winced at the d-word, and wished that he would stop giving me the party line. How did it feel to fire so many people? To spend so long as a barrister, and then to move into management and discover that the main task was to fire people, must have been terrible. "I don't think anyone involved in the process enjoyed it," he said.

Obviously, I said. But did he ever wish he had not taken the job?

"Well..." He paused for a bit. "That has to cross your mind. In the first couple of years there were other reasons for being doubtful as to



Shirt-sleeved informality: Lord Alexander has been at the helm during seven years of 'downsizing'

Lydia van der Meij

whether it was a wise career change. At the bar I'd been doing pretty well. But I had to start again in a different world. I would sometimes go home and say to Marie "I feel I'm hanging on by my fingernails". But the bank matters to a great number of people. Customers. Staff. So you quickly pick yourself up and get on with it."

As he spoke I found my eyes drawn towards his tie – it was scarlet with cartoons and the names of Shakespeare plays all over it. Otherwise he was dressed in the uniform of a well-heeled businessman (grey suit, blue shirt with white collar).

Are you fond of Shakespeare, by any chance? He gave another of his deadpan smiles. "It's called a bull's-eye. This morning I thought which will I put on. I thought I'll put on the RSC tie because I'm very keen on it, and she may ask about it." He told me how he was chairman of development at the Royal Shakespeare Company.

Which is your favourite Shakespeare play? I asked. "I think I'd go back to *Twelfth Night*. That was the first Shakespeare I acted in at school."

And which part had he played? "Oh," he said, looking embarrassed. "God – Olivia." I made a remark about ties

being the only way in which men in his line of business could express themselves, and found myself in the middle of an unexpected controversy.

"I don't think that's true," he said politely but firmly. "I think you're expressing yourself if you work with your jacket off. People come into my room to talk about various issues. It's my job to make them as easy as possible. Shirt sleeves indicate an atmosphere of informality."

Indeed, the very reason he was having lunch with me was that he wanted to get this informal, approachable side of himself across. "Edward Townsend [head of PR at NatWest] said it would be a good idea to do this. He takes the view that it is desirable for us to show that the bank is human."

Apparently, his wife had thought otherwise, asking him that morning what on earth he thought he was doing. I said I wondered as much myself, but immediately regretted it. I was finding it hard enough to get Lord Alexander to relax without making him even more anxious about the interview. We chewed on our fish for a minute and then moved on to the less personal topic of British politics, and of Margaret Thatcher.

Is he a fan of hers? "I am. over 17 years, that agenda has been successful, why give its management to another group of people whose agenda it wasn't originally." The logic was powerful – as one would expect from someone with his long years at the bar.

I asked if he thought Britain was becoming classless. "From my conversation?" he asked, a look of alarm crossing his face. "I'm a Europhile and slightly wet on social issues. I regard myself as my own man. Look, I do not want to give the impression that I am a rabid Conservative."

I reassured him, and he went on: "If this has been the Conservative agenda

vote means. The oddity was that I was more conscious of it than they were. The bar has always been very meritocratic. They were very nice to me, but I was nervous."

Tell me about your garden, I said. Gardening was listed as one of his two hobbies in *Who's Who*.

"My interest in gardening has got a bit overdone. I like planting, pruning. I like gardens. I'm not an expert. We've got a decent sized garden."

This was another potentially interesting conversation that did not quite get off the ground. But it did not matter now, because the meal was over and the car was waiting.

Peter Aspden

All things being equal...

How the modern woman is exploiting her assets



I am of the generation that was still brought up by stories in which little girls wore floral dresses, prepared the tea and settled unseemly rows between boisterous brothers by soothing words of wisdom. Disillusionment, or let us call it realism, set in early. A girl at my primary school called Becky used to thump anyone who would not give her an extra bottle of free milk. Her right hook perfectly captured the zeitgeist of the mid-1960s. Things were changing.

By the time of my adolescence, it was natural for men to preen and prance in lip-gloss and diamante, while women wore... well, what ever they liked. The rules of sex and gender crumbled

by those who had been permitted nothing in their youth and forever resented the injustice of it all.

But it became ingrained in our heads that there was nothing in the world that men did from which women should be excluded: not running marathons, not joining the army, not drinking in festive clubs in London's West End, and certainly not beating each other up.

Strange to see, then, that

British sport is in such a froth over this week's decision of the Amateur Boxing Association to allow girls as young as 10 to train and fight under its rules. There are, it is said, special circumstances. Blows around the breast can produce lumps which are difficult to distinguish from cancerous growths. A medical adviser to the British Boxing Board of Control said that not

there was a life-support machine after being pummelled into brain-death in a middleweight bout.

Unfortunate coincidence? Not really; the young girls who are straining to jump into the ring have heard enough De Chirico stories to know that they risk paying a high price for their recreation. They do not need committees to pronounce on their welfare and best interests. I suspect they would rather be hit by a lump of leather than be patronised by middle-aged men.

There are plenty of stories about

that women are growing more rather than less violent: all-female gangs roam the streets, husband-beating can no longer be dismissed. Then there was the notorious Bobbit case, which unleashed in a painful instant many hundreds of years of pent-up aggression.

No one can say of women politicians that they symbolise the values of conciliation, compromise and good sense which are lacking in their male counterparts. In the historical scheme of things, women have only recently begun to exercise their right to equality, so it is no surprise that they should occasionally over-compensate. If politics was a boxing match, Margaret Thatcher would have had Michael Foot, Neil Kinnock and, for that matter, Tony Blair scuttling back into their corners well before the end of the third round and didn't the British

It remains the case, however, that the world is run by men; and that there is nothing which so weakens a man as an attractive woman. This was amply illustrated this week with the news that Alessandra Mussolini, that famous granddaughter, was about to join Italy's far-right wing Tricolore Flame party.

Pino Rauti, the leader of the party, welcomed her fulsomely, explaining that she was "young, beautiful, passionate and bears a name which sends shivers down one's spine". There are shivers and shivers, but I think I know what he means.

But right now, his new recruit is exploiting every asset in her possession, and good luck to her. The velvet glove of youth, beauty, passion on the one hand; the mighty clout of a frightening political heritage on the other. It is a fearsome combination; and not a floral dress

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INSTRUMENTS FOR PROFESSIONALS

Ch. Vito 150

WEEKEND INVESTOR

■ Directors' share dealings

Transactions in own company (September 4-8 1996)					
Company	Sector	Shares	Value £'000	No. of directors	Date
Sales					
Black Arrow Holdings	Hold	330,000	215	1	Sept
Channel Holdings	Hold	300,000	97	1	Sept
Forth Ports	Trans	19,988	158	1	Sept
Hamley Group	Retd	317,000	1,067	1	Sept
Pentland & Gair	Buy*	50,000	25	1	Sept
Reuter					
Media	Buy*	25,000	198	1	Sept
Thomson	Buy*	200,000	248	1	Sept
VDC Plc	Perm	5,000	18	1	Sept
Whitbread Plc	Perm	237,188	1,717	1	Sept
Yule Carton & Co	Chrs	5,072	57	1	Sept
Enterprise Oil	Chrs	21,128	116	1	Sept
Henderson Group	Chrs	17,000	50	1	Sept
Lucas Varity	Buy*	41,400	107	1	Sept
Scottish TV	Hold	44,200	218	1	Sept
Upfront Assurance	LWA	55,140	208	1	Sept
Forth Ports	Trans	22,000	208	1	Sept
Purchases					
Alexion	Retd	10,000	18	1	Sept
Burnie (T) Ltd	Buy*	75,000	225	2	Sept
Burton Group	Retd	10,000	14	1	Sept
Chamberlain & Hill	Eng	10,000	15	1	Sept
Chesterfield	Perm	2,000,000	2,000	1	Sept
Crest Nicholson	Buy*	25,000	17	1	Sept
Daleys	Buy*	12,000	38	1	Sept
Gascoigne	Buy*	275,000	75	2	Sept
Goodwin Plastics	Buy*	62,500	52	2	Sept
Lincoln Group	Eng	15,000	30	1	Sept
Lowes & Bowes	Perm	10,000	25	1	Sept
Maelorland Grp	PPMP	100,000	187	1	Sept
Magnum Power	Buy*	80,000	25	1	Sept
Perry Challenge	PPMP	245,000	195	2	Sept
Ranson	Buy*	88,007	30	2	Sept
Rodoro	Buy*	50,000	94	1	Sept
Standard Chartered	Shares	5,250	1,000	1	Sept
Watson & Philip	PPMP	250,000	188	4	Sept
Watson & Philip	Retd	3,557	14	1	Sept
Companies must notify the Stock Exchange of the trading day of a share transaction by a director. This list contains all transactions (bought and sold), including exercises of options (*) if 10,000 subsequently sold, with a value over £10,000. Information released by the Stock Exchange. Shares traded are ordinary.					
Sources: The Inside Track, Edinburgh, 0131-538 7070					

■ Results due next week

Company	Sector	Assumed date	Actual date	Period	Final	Interim
FINAL DIVIDENDS						
Abercrombie	Retd	Monday	1.8	3.2	1.03	
Anglo Irish Bank	Retd	Tuesday	0.0135	0.022	0.015	
Ashbourne	Retd	Monday	1.1	2.2	1.4	
Brockenhurst	Wkly	Thursday	5.2	2.1		
Concentric	Eng	Thursday	1.95	4.85	2.85	
Crabtree	Eng	Wednesday	3.75	5.25	2.75	
Bridge Pipe & Co	EP&R	Tuesday	1.85	2.95	1.85	
Finchurch	Intn	Friday	2.25	5.75	2.75	
Henderson Shires Inv	Intn	Friday	-	1.4	-	
ML Laboratories	Phrm	Monday	-	0.2	-	
Marx & Overseas	AMM	Thursday	-	0.2	-	
Morland International	Buy*	Thursday	0.27	0.2	0.26	
National Home Loans	ONP	Monday	-	1.0	1.1	
Network Technology	AMM	Monday	-	0.2	-	
Royal Bank of Scotland	Retd	Thursday	4.8	11.8	5.4	
Sanderson Electronics	Secd	Thursday	1.13	2.1	1.05	
Scottish Investment Trust	Intn	Thursday	1.85	3.82	1.98	
Wignone Property Inv	Intn	Wednesday	0.25	0.25	0.25	
INTERIM DIVIDENDS						
Amber Industrial	Chrs	Wednesday	1.75	4.0	-	
Applied Holographics	PPMP	Monday	-	-	-	
BPB	Retd	Thursday	3.25	4.25	-	
Bournemouth & West Hamp	Phrm	Friday	-	0.2	-	
British United Press	Retd	Thursday	0.9	0.9	-	
British Biotech	Phrm	Wednesday	-	0.2	-	
British Gas *	Gas	Thursday	0.4	0.1	-	
CPL Aromatics	PPMP	Thursday	1.8	3.2	-	
Calab Pharmaceuticals	Phrm	Friday	-	0.2	-	
Castings	Eng	Thursday	1.22	3.00	-	
Edinburgh Int'l Tax	Retd	Thursday	0.8	1.8	-	
European Motor	Retd	Thursday	2.2	3.5	-	
Field Group	PPMP	Monday	2.9	5.67	-	
Flotex Group	PPMP	Monday	1.28	2.25	-	
Forstec	Intn	Monday	3.6	3.4	-	
Forts AG *	Intn	Thursday	-	0.49	-	
Hampson Industries	Eng	Thursday	0.35	0.32	-	
Hawthorn	Retd	Tuesday	0.75	1.75	-	
Hogg Robbie	Eng	Thursday	0.5	0.45	-	
JLI Group	PPMP	Monday	1.85	3.3	-	
Jens Hotels	Leis	Tuesday	-	0.25	-	
Johnson Matthey	Eng	Thursday	4.4	10.1	-	
Jupiter General Capital Investments	Intn	Monday	-	0.2	-	
Knoll Systems	Spv	Wednesday	2.0	5.0	-	
Lathams (James)	Retd	Friday	2.25	4.8	-	
McL Holdings	Eng	Thursday	0.26	1.05	-	
Medwaydown	AMM	Monday	2.0	2.5	-	
Meyer Ind	Retd	Wednesday	0.42	0.2	-	
Mid Kent Hedges	Wkly	Wednesday	0.25	0.25	-	
Monte Inv Tst	Intn	Friday	0.5	0.2	-	
Mountview Estates	AMM	Tuesday	0.25	0.25	-	
National Grid	PPMP	Tuesday	0.18	0.18	-	
Neepsand	Eng	Thursday	0.8	1.2	-	
New London Cap	Intn	Wednesday	1.0	2.0	-	
Northumber	Retd	Wednesday	0.5	1.3	-	
Old English Pub	AMM	Thursday	0.35	0.67	-	
Ouligodai	Retd	Monday	-	-	-	
PM	Spv	Monday	1.5	4.5	-	
Radical International	Text	Tuesday	0.83	2.81	-	
Salvesen (Clydesdale)	Retd	Monday	0.55	3.25	-	
Severn Trent	Wkly	Tuesday	3.25	19.25	-	
Sketchley	Spv	Monday	1.27	2.45	-	
South Staffs Water	Wkly	Monday	2.0	2.0	-	
Southern Electric	Secd	Thursday	10.25	23.50	-	
Satellite Speaker	Chrs	Thursday	0.25	0.25	-	
Si Group	Intn	Thursday	3.7	6.65	-	
TR High Inc Tel *	Intn	Wednesday	1.5	1.7	-	
TR Property Inv Tel	Intn	Friday	0.48	0.59	-	
Trifast	Retd	Thursday	2.9	5.8	-	
Trinity Care	AMM	Monday	1.8	2.3	-	
United Utilities	Wkly	Thursday	0.27	15.25	-	
VTR	Retd	Thursday	1.85	2.85	-	
Value Realisation	AMM	Wednesday	0.07	0.07	-	
Vendome Luxury Group	Spv	Tuesday	0.07	0.07	-	
VideoLogic	PPMP	Monday	1.5	3.05	-	
Wynsor Proper	PPMP	Monday	1.5	3.05	-	
Yorkshire Water	Wkly	Friday	8.1	21.8	-	

*Dividends are shown net per share per week and are adjusted for inflation. *10 weeks. **13 weeks. ***13 weeks. ****about six weeks after the last quarterly. The list is not necessarily comprehensive since companies are no longer obliged to notify the Stock Exchange of imminent announcements. † Belgian Francs. £ Irish pounds and pence. \$ US dollars and cents. \$S 8-month figures. ♦ Comparative for 6 months. \$P former figures. ♦ Comparative for 10 months. ♦ Comparative for 18 months.

Figures in parentheses are for the corresponding period. *Dividends are shown net per share, except where indicated in £ or \$ terms. £ Net yield is value per share. \$ Irish pounds and pence. \$S 8-month figure. \$P US dollars and cents. \$S 8-month figure. ♦ Comparative for 6 months. \$P former figures. ♦ Comparative for 10 months. ♦ Comparative for 18 months.

Companies are shown net per share and are adjusted for inflation.

against CalEnergy's 275m hostile bid for the Newcastle-based electricity company. It told shareholders not to accept CalEnergy's \$80p a share offer and reminded them that a second special dividend of 66.5p would be made before the bid was launched.

CalEnergy, which owns just under 30 per cent of its target, said Northern had nothing new to say and

called on its directors to sit down and thrash out terms of an agreed offer.

Meanwhile, the City's Takeover Panel allowed Barclays de Zoete Wedd, Northern's adviser, to respond to what the investment bank described as CalEnergy's selective use of a valuation made before the bid was launched.

Bill Gates, the US software tycoon, gained a 3 per cent stake in Chirico

nce. He has been a director of Chirico since 1994 and is chairman of its audit committee.

Chirico has a 25 per cent stake in Chirico and is chairman of its audit committee.

Chirico has a 25 per cent stake in Chirico and is chairman of its audit committee.

Chirico has a 25

Weekend Investor

Wall Street

History sets the charts humming

And John Authers sees Big Blue roar back to revive memories of past glories

History is in the air in Wall Street. Remembrances of times past seem to spring from every chart, although much of the news ought to be irrelevant to 1996.

As one example, the issue of how to restructure the US financial services industry in the wake of the great banking collapse of the early 1930s returned to the top of the agenda. The Glass-Steagall Act, signed into law by President Roosevelt in 1933, remains nominally in force. Its effects included the split between commercial and investment banks, and tight limits on the services and products banks could offer.

Congressional leaders failed in their attempt to repeal Glass-Steagall this year. But this week's announcement, by a Treasury official, that he would make it easier for banks to underwrite securities and sell insurance aroused a furor on Wall Street, pitting different special interests against each other.

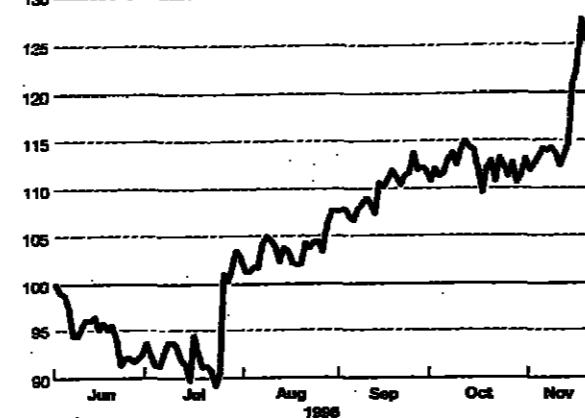
A quick look at the state of the US financial services industry might suggest that it has managed already to change itself utterly since the dark days of the great Depression. Try to use an automated teller machine in New York - and it will offer to sell you life insurance instead of giving you the option of withdrawing cash.

Then, too, rationalisation is bringing order to the chaos of America's huge number of small financial institutions, spawned by the regulations of the 1930s. Figures from the General Accounting Office published this week show that the number of banks and thrifts (roughly equivalent to building societies) in the US had fallen by a third over the past decade. The 14,417 banks in 1985 had reduced to 9,941 by the end of last year, while the number of thrifts fell from 3,626 to 2,028.

But still the debate over repealing legislation from 1933 raises the hackles. Another old warhorse to corner attention is the Dow Jones Industrial Average, which has logged a series of all-time highs. Its streak of successive all-time daily highs finally stopped at eight on Monday this week

The Dow: heading for the Big Blue yonder

IBM relative to the Dow Jones Industrial Average



Source: Datamonitor

when the index retreated by 1.12 points, to 6,346.8. This left it four days short of the previous record of 12, which had - ominously - been set in the early days of 1987 during the bull market which ended in Black Monday.

This caused relief in Wall Street, as dealers who had only recently been selling on the fears that the economy was over-heating, or that the elections would put back the chances of deficit-cutting, had not been expecting such a strong spur.

But yesterday morning's rally means the index should have logged 13 rises out of 15 days since the beginning of election week, and 11 all-time highs in 12 days since the day after the election, when the market took a dramatic step forward. These are impressive figures.

Yet, the blue chips of the Dow have not been supported fully by the rest of the market. The broader Standard & Poor's 500 hit a record on election day itself, and did so again in nine of 12 subsequent days, but it has not told the same dramatic story as the Dow.

Meanwhile, the Nasdaq index of smaller companies has missed out on the post-election boom. It was not until seven trading days after the election that it posted a new all-time high, and it then retreated.

The Nasdaq spent this week trading below its record level of 1,270.36, topping this only narrowly yesterday morning.

The main leader of the Dow's rally is another blast from the past: Big Blue is

back. IBM's stock hit a new nine-year high at the beginning of this week, ushering it towards its highs of the early 1980s.

Its performance over the past six months, and particularly since the bottom of the stock market dip early in July, has been the single greatest factor in leading the Dow forward - as the chart, which maps IBM's performance compared with the Dow's own record-breaking run, shows.

But joy for IBM - which investors now believe has banished decisively its troubles of the early 1990s - is tempered. It seems to owe its recent strength to "momentum" investors who follow the money trail and invest in the stocks which are generating the most volume - a theory which is divorced worryingly from a company's fundamentals.

IBM's performance also has served to underline the main methodological flaw with the Dow that the constituents in the index are unweighted, rather than being weighted according to their market capitalisation.

Hence IBM managed to account for 40 per cent of the index's rise on Tuesday. This could be yet more evidence that the Dow, now more than 100 years old, has become no more than an historical anachronism.

Dow Jones Ind Average

Monday 6346.91 - 1.12

Tuesday 6397.60 + 50.69

Wednesday 6430.02 + 32.42

Thursday 6418.47 - 11.55

Friday

fund would have more like 47 per cent.

In effect, UK investors have made a huge bet that the exciting, young and fast-growing Asian tiger markets will outperform the dull old US. It is a bet that has gone horribly wrong during the past few years. But, rather than quitting the gamble, the fund managers are raising the stakes. During the third quarter, pension funds appear to have taken around £650m out of the US and they have topped up the Pacific Basin modestly by perhaps another £100m, extrapolating from fund statistics collected by the WM Company.

Certainly, Asian markets can display a tremendous turn of speed granted a fair wind. In 1993, the FT/S&P Actuaries Pacific Basin (excluding Japan) index rose 84 per cent. But those impatient private investors will be conscious that the average Pacific Basin unit trust is no higher in price today than three years ago. Over that same period, the US stock market index has risen by 50 per cent. Ouch!

In fact, the tiger markets recovered quite well during 1995 after hitting a low point, but they have made very little further progress since February this year. A common theme has been a sharp slowdown in the

economic growth rate of the export-led Asian economies.

GDP growth in the region was typically 8 or 9 per cent during the previous two boom years, but it has slipped to about 5 per cent in 1996 - a figure still high enough to cause the average European finance minister to weep with envy. Whereas

Rather than quitting the gamble, the fund managers are raising the stakes

export growth last year was often in the range of 20 to 30 per cent, this year it has crashed to under 10 per cent in countries as varied as China, Singapore and Thailand.

There are various reasons. Depressed Japan and continental Europe have been poor customers. And although the US has been quite buoyant economically, there has been a particular problem of over-supply in the commodity of semiconductors (especially memory chips) which are produced in such vast quantities in Asia. In fact, there appears to be a general over-capacity

Over to you, Ken. The health of the London stock market over the next few months will depend on what kind of Budget is delivered on Tuesday by Kenneth Clarke, the Chancellor of the Exchequer.

He has a fine line to walk in stock market, as well as political, terms. The markets are not politically neutral and would like the Conservatives to win the general election due by May. But while they would like voters to be pleased by the Budget, they are frightened at the prospect of an overly generous package that would stoke inflationary pressures.

The Chancellor received some good news this week in the shape of a £24.6bn public sector surplus in October. This much better than expected figure, helped by a surge in tax revenues, greatly increases the chances of the government

hitting its £27bn deficit target this year.

Nevertheless, expectations for tax cuts are fairly muted, with the consensus looking for a 1p reduction in the income tax rate. It is, however, a rare Chancellor who does not have some surprises up his sleeve.

The FTSE 100 index staged a welcome rally yesterday after several weeks in the doldrums. In the afternoon, with the help of yet another strong start on Wall Street, it topped 4,000 and closed 64.9 points higher at 4,018.7. Previously, many investors had seemed to be sitting tight ahead of the Budget, waiting to see what kind of package the Chancellor would produce. But yesterday, for some reason, they appeared to have decided that he would be prudent. A few equity buyers emerged suddenly and prices moved ahead rapidly in a thin market.

UK equities have been

rather left behind as Wall Street has surged to ever greater heights and European bourses repeatedly have notched up new peaks. It was probably inevitable at some point that London would try to catch up.

But Footsie's rally yesterday should not lead observers to conclude that all is well with shares in London. The condition of the overall market continues to give some concern. The week was dotted with a string of profits warnings from smaller companies.

It is hard to discern an industrial or sectoral pattern from the ones that were delivering the bad news: a retailer, Country Casuals; greeting cards group Fine Art Developments; synthetic materials group Porvair; engineering group Widney; insurance broker Nelson Hurst; circuit board supplier Forward; computer services group Mettek; coal mining group NSM; leisure group

Baldwin, and the car security group Stordata Solutions by 2 to 4 per cent.

What might simply be happening is that managements in many different sectors are struggling to cope with the new economic conditions: low inflation and steady, but unspectacular, economic growth mean that revenue growth is modest by 1980s' standards. It is hard to pass on increases in raw material costs. All this puts a premium on efficiency and cost cutting.

These developments have had their effect on small company stocks. The FTSE SmallCap index has underperformed Footsie by 7 per cent since the start of July.

The broad market has been particularly unhealthy over the past month. The 10-day average of advancing versus declining stocks fell below 1 on October 16 and has stayed there ever since. In short, more stocks have been falling regularly than rising. Another adverse sign is that the number of stocks reaching 52-week lows has outpaced those reaching highs on 18 of the past 20 trading days.

One problem that faces the UK corporate sector is the continued strength of sterling. This week, the pound reached its highest level, on a trade-weighted basis, since September 1992 when it scuttled out of the exchange rate mechanism.

Adair Turner, director-general of the Confederation of British Industry, reported that business had been expressing concern, and analysts are edging

down profit forecasts in some export-sensitive sectors by 2 to 4 per cent.

The pound seems to have acquired a life of its own, rising 10 per cent since August. In part, this is because the UK is at a different stage of the economic cycle from much of the developed world: interest rates are starting to rise in Britain, whereas they are flat or declining in most other countries.

This means that "hot money" is being attracted to the UK - and, of course, higher short-term rates and rising currency give such investors a "double whammy", creating a self-perpetuating rally.

The pressure for higher rates will have been increased this week by economic data, notably broad money supply growth which at 10.3 per cent, remains outside the government's 3 to 9 per cent monitoring range.

With retail sales growing at the fastest rate for two years and the CBI producing a robust monthly trends survey, it seems clear the economy is picking up pace.

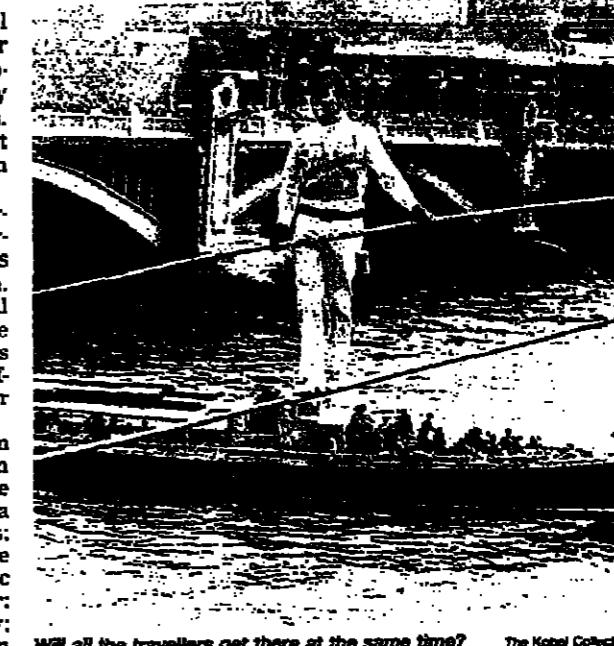
How much rates have to rise, and how soon, could again depend on the Budget; the more prudent the package, the smaller the rate rise which will be needed.

So, if you are a private investor, and although the minutiae of tax changes and small business initiatives normally bore you rigid, it will probably pay to be watching the Chancellor's speech on Tuesday.

London

All eyes on the chancellor

But tax cut hopes are muted, writes Philip Coggan



Will all the travellers get there at the same time? The Kobel Collection

Barry Riley

Asian miracle takes a break

Many of the tigers have begun to look like pussycats

fund would have more like 47 per cent.

In effect, UK investors have made a huge bet that the exciting, young and fast-growing Asian tiger markets will outperform the dull old US. It is a bet that has gone horribly wrong during the past few years. But, rather than quitting the gamble, the fund managers are raising the stakes.

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problem. Then, too, this year's relative strength of the dollar has also posed problems for the tigers, most of which fix their exchange rates against the US currency. Not only have their exports become less competitive in Europe and, especially, in Japan (the dollar has risen by 40 per cent against the yen since mid-1995), but they have been forced to raise interest rates and squeeze their economies to maintain the dollar link.

This tightening has had knock-on effects on stock markets and property values, potentially exposing banks to bad debts. As Alan Butler-Henderson of ING Barings in Hong Kong points out in his latest review, *Tiger Talk*, countries with weak trade balances can suffer serious pain in these circumstances. This has been a particular difficulty for Thailand, which some observers have regarded as offering the raw material for a 1994 Mexico-type financial crash. In tough economic conditions, the political framework can become unstable, too. General Chavalit Yongchayudh's emergence as the prospective prime minister after the weekend election knocked back the Bangkok stock market index by 8 per cent on Monday.

There are various reasons. Depressed Japan and continental Europe have been poor customers. And although the US has been quite buoyant economically, there has been a particular problem of over-supply in the commodity of semiconductors (especially memory chips) which are produced in such vast quantities in Asia. In fact, there appears to be a general over-capacity

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Generally, the tiger problem right now is that the investment fashion is for emerging industries, like biotechnology in the US, rather than for emerging countries. And south-east Asia has become a strongly cyclical region depending on its economic health on strong world growth.

Nevertheless, the region's underlying growth rate remains high, and it is just a question of waiting for another year like 1993, when the stock markets were looking forward to an imminent sharp acceleration in the global economic growth rate.

But patience could be needed. For the moment, too many of those tigers have begun to look like pussycats.

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Offshore managed funds and UK managed funds are listed in Section One